THE NATIONAL ARCHIVES OF THE UNITED STATES — LITTERA SCRIPTA MANET — 1934

FEDERAL REGISTER

VOLUME 17 NUMBER 68

Washington, Saturday, April 5, 1952

TITLE 3—THE PRESIDENT

EXECUTIVE ORDER 10336

AMENDMENT OF EXECUTIVE ORDER NO. 9586[1] OF JULY 6, 1945, ESTABLISHING THE MEDAL OF FREEDOM

Executive Order No. 9586 of July 6, 1945, establishing the Medal of Freedom, is hereby amended to read as follows:

"By virtue of the authority vested in me as President of the United States and as Commander in Chief of the armed forces of the United States, it is ordered as follows:

"1. There is hereby established a medal to be known as the Medal of Freedom, with accompanying ribbons and appurtenances. The Medal and its appurtenances shall be of appropriate design, approved by the Secretary of State and the Secretary of Defense.

"2. (a) The Medal of Freedom may be awarded to any person not hereinafter specifically excluded who, on or after December 7, 1941, has performed a meritorious act or service which (1) has aided the United States in the prosecution of a war against an enemy or enemies, (2) has aided any nation engaged with the United States in the prosecution of a war against a common enemy or enemies, or (3), during any period of national emergency declared by the President or the Congress to exist, has furthered the interests of the security of the United States or of any nation allied or associated with the United States during such period, and for which act or service the award of any other United States medal or decoration is considered inappropriate.

"2. (b) Under special circumstances, and without regard to the existence of a state of war or national emergency, the Medal of Freedom may also be awarded by, or at the direction of, the President to any person, not hereinafter specifically excluded, for performance of a meritorious act or service in the interests of the security of the United States.

"3. The Medal of Freedom shall not be awarded to a citizen of the United States for any act or service performed within the continental limits of the United States or to a member of the armed forces of the United States.

"4. The Medal of Freedom may be awarded by the Secretary of State, the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, or by such officers as they may respectively designate. Awards shall be made under such regulations as the said Secretaries shall severally prescribe, and such regulations shall, so far as practicable, be of uniform application.

"5. The head of any department or agency of the United States not named herein may recommend to the Secretary of Defense the award of the Medal of Freedom and appurtenances thereto for meritorious acts or services performed under the cognizance or direction of the head of such department or agency, and the Secretary of Defense may make such awards.

"6. No more than one Medal of Freedom shall be awarded to any one person, but for a subsequent act or service justifying such an award a suitable device may be awarded to be worn with the medal.

"7. The Medal of Freedom may be awarded posthumously."

HARRY S. TRUMAN

THE WHITE HOUSE,
April 3, 1952.

[F. R. Doc. 52-3962; Filed, Apr. 3, 1952; 12:49 p. m.]

[1] 10 F. R. 8523.

EXECUTIVE ORDER 10337

AMENDMENT OF THE REGULATIONS GOVERNING THE APPOINTMENT OF POSTMASTERS OF THE FOURTH CLASS

WHEREAS under the regulations now in force the appointment of postmasters of the fourth class may be made upon the basis of investigation and report of a post office inspector in any case in which the compensation of the office is not in excess of $1300 per annum; and

(Continued on p. 2959)

CONTENTS

THE PRESIDENT

EXECUTIVE AGENCIES

FEDERAL REGISTER

Published daily, except Sundays, Mondays, and days following official Federal holidays, by the Federal Register Division, National Archives and Records Service, General Services Administration, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U. S. C., ch. 8B), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President. Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

The regulatory material appearing herein is keyed to the Code of Federal Regulations, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended June 19, 1937.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for $1.50 per month or $15.00 per year, payable in advance. The charge for individual copies (minimum 15¢) varies in proportion to the size of the issue. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington 25, D. C.

There are no restrictions on the republication of material appearing in the FEDERAL REGISTER.

CONTENTS—Continued

CONTENTS—Continued

CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

CODIFICATION GUIDE—Con.

WHEREAS it is deemed desirable and in the public interest that the said limitation of $1300 be raised to $1700:

NOW, THEREFORE, by virtue of the authority vested in me by section 2 of the Civil Service Act (22 Stat. 403) and section 1753 of the Revised Statutes of the United States (5 U. S. C. 631), and for the purpose of carrying out the objective aforesaid, the regulations prescribed or approved by the President governing the appointment of postmasters of the fourth class are hereby amended by substituting "$1700" for "$1300" wherever the latter sum appears in such regulations.

This order supersedes Executive Order No. 10017 of November 10, 1948, entitled "Amendment of the Regulations Governing the Appointment of Postmasters of the Fourth Class".

This order shall be effective as of July 1, 1951.

HARRY S. TRUMAN

THE WHITE HOUSE,
April 3, 1952.

[F. R. Doc. 52-3987; Filed, Apr. 3, 1952; 4:35 p. m.]

TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter C—Loans, Purchases, and Other Operations

[1952 C. C. C. Flaxseed Bulletin 1]

PART 601—GRAINS AND RELATED COMMODITIES

SUBPART—1952 TEXAS FLAXSEED PURCHASE PROGRAM

Sec.

AUTHORITY: §§ 601.2151 to 601.2164 issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 301, 401, 63 Stat. 1053, 1054; 15 U. S. C. Sup., 714c, 7 U. S. C. Sup., 1447, 1421.

§ 601.2151 *General.* This bulletin states the requirements with respect to the 1952-crop Texas Flaxseed Purchase Program formulated for price support purposes by Commodity Credit Corporation (hereinafter referred to as CCC) and the Production and Marketing Administration (hereinafter referred to as PMA). CCC, through the Texas PMA State committee, PMA county committees, and authorized flaxseed dealers will stand ready to make direct purchases from eligible producers from the time of harvest through July 31, 1952, of 1952-crop Texas flaxseed grown in the counties listed in § 601.2154. All such purchases shall be made in accordance with this subpart.

§ 601.2152 *Administration.* This program will be administered in the field through the PMA Commodity Office, Dallas, Texas, and Texas PMA State committee and PMA county committees (hereinafter referred to as county committees). An eligible producer desiring to sell flaxseed under this program must apply to the county committee of the county in which the flaxseed was produced for written delivery instructions on the quantity of flaxseed he wishes to sell to CCC.

Such application must be made sufficiently in advance of the date of the intended delivery to enable the county committee to schedule deliveries in an orderly manner. Delivery instructions issued by the county committee will set forth the approximate quantity of flaxseed and the time and place of delivery for the account of CCC. All flaxseed delivered under such instructions must meet the eligibility requirements specified in § 601.2157. The county committee may authorize in writing certain employees of the county committee to approve on behalf of the committee any forms and documents in connection with this program. State and county committees and PMA commodity offices do not have authority to modify or waive any of the revisions of this bulletin or any amendments or supplements thereto.

§ 601.2153 *Period and area of operation.* This program will be available on eligible flaxseed from the time of harvest through July 31, 1952, in the Texas counties listed in § 601.2154. Deliveries of flaxseed under this program must be completed on or before July 31, 1952.

§ 601.2154 *Basic purchase price in designated counties.* (a) The basic purchase price per bushel of flaxseed, grading No. 1, delivered under this program for the account of CCC, will be as follows in the Texas counties for which this program is authorized:

County:	*No. 1 flaxseed*	County:	*No. 1 flaxseed*
Arkansas	$3.58	Karnes	$3.53
Atascosa	3.49	Kimble	3.43
Bee	3.58	Kleberg	3.58
Bell	3.48	La Salle	3.43
Bexar	3.49	Lavaca	3.50
Blanco	3.47	Lee	3.52
Brooks	3.49	Live Oak	3.56
Brown	3.44	Matagorda	3.54
Caldwell	3.50	Maverick	3.40
Calhoun	3.50	McCulloch	3.44
Cameron	3.44	McMullen	3.52
Coleman	3.42	Medina	3.46
Colorado	3.55	Milam	3.49
Comal	3.50	Nueces	3.60
Concho	3.42	Real	3.43
Dimmit	3.39	Refugio	3.52
De Witt	3.50	San Patricio	3.60
Duval	3.56	San Soba	3.44
Frio	3.45	Travis	3.48
Galveston	3.60	Uvalde	3.43
Goliad	3.55	Victoria	3.52
Gonzales	3.50	Webb	3.43
Guadalupe	3.50	Wharton	3.56
Hays	3.50	Willacy	3.44
Hidalgo	3.44	Wilson	3.52
Jackson	3.50	Zapata	3.41
Jim Hogg	3.54	Zavala	3.40
Jim Wells	3.58		

(b) The basic purchase price shall be $3.77 per bushel for No. 1 flaxseed delivered to the Corpus Christi and Houston terminal markets in carload lots which have been shipped by rail on a domestic interstate freight rate basis, from a country shipping point to the said terminal markets, as evidenced by paid freight bills duly registered for transit privileges and other documents as required in this subpart: *Provided,* That all charges, including receiving charges, have been prepaid: *And provided further,* That, in the event the amount of paid-in freight is insufficient to guarantee the minimum proportional freight rate from the aforesaid terminal markets, there shall be deducted from the applicable terminal purchase price the difference between the amount of freight actually paid in and the amount required to be paid in to guarantee outbound movement at the minimum proportional freight rate. The terminal warehouse receipts must be accompanied by the registered freight bills, or by a certificate which may be part of the supplemental certificate signed by the warehouseman, in substantially the form and containing the same information as the following:

CERTIFICATE

The _____ represented by
(Type of grain)
attached warehouse receipt No. _____ issued by _____ on warehouse located at _____ was received by rail freight from _____ point
(Station) (County) (State)
of origin was evidenced by freight bill described as follows:

Way-bill, date _____ No. _____
Car initials and No. _____
Freight bill, date _____ No. _____
Origin carrier _____
Full inbound route and junction points _____
Transit weight _____
Freight rate in _____ Tax _____
Amount collected _____
Number unused transit stops _____
Penalty, if any, to guarantee minimum proportional rate on outbound billing of _____
_____
Cents per 100 pounds _____

Where paid-in freight is based on other than domestic interstate freight rate basis, the difference in rates between the freight paid (plus tax), and the domestic interstate freight rate (plus tax), is _____.

The above-described paid freight bill has been officially registered for transit and will be held in accordance with the applicable provisions of the Uniform Grain Storage Agreement.

_____
(Warehouseman's signature)

_____
(Address)

_____
(Date of signature)

The basic purchase price of flaxseed delivered at the aforesaid terminal markets by rail in carload lots for which neither registered freight bills nor such freight certificates are presented, will be the terminal basic purchase price of $3.77 less 8 cents per bushel: *Provided*, That all charges, including receiving charges, have been prepaid. Flaxseed delivered by truck at the designated terminals in the State of Texas will be purchased by CCC under this program on the basis of the terminal rate minus 12½ cents.

(c) The basic purchase price for No. 2 flaxseed shall in all instances be 6 cents per bushel less than the price indicated for No. 1 flaxseed.

(d) To compensate CCC for storage charges on flaxseed acquired under this program, a deduction shall be made in an amount determined by the President, CCC.

§ 601.2155 *Basis of purchase.* Eligible flaxseed will be purchased on the basis of weight and grade. The grade shall be determined in accordance with the Official Grain Standards of the United States for Flaxseed by a grain inspector licensed by the Secretary of Agriculture. Wherever the services of a licensed inspector are not available the PMA Commodity Office shall designate in writing a person qualified to determine the grade of flaxseed in accordance with the Official Grain Standards of the United States for Flaxseed. Such designation may be revoked in writing by the PMA Commodity Office at any time.

§ 601.2156 *Eligible producer.* An eligible producer shall be any individual, partnership, association, corporation or other legal entity which (a) has produced the flaxseed in 1952 in one of the counties named in § 601.2154 as landowner, landlord, tenant or sharecropper, and (b) has applied to the appropriate county office for delivery instructions.

§ 601.2157 *Eligible flaxseed.* Eligible flaxseed shall meet the following requirements:

(a) The flaxseed must be produced by an eligible producer in 1952 in one of the counties named in § 601.2154.

(b) The beneficial interest in the flaxseed must be in the person tendering the flaxseed for purchase and must always have been in him or in him and a former producer whom he succeeded before the flaxseed was harvested.

(c) The flaxseed must grade No. 1 or No. 2. Sample grade flaxseed will not be purchased under this program.

§ 601.2158 *Authorized dealer.* An authorized dealer shall be any individual, partnership, association or corporation operating under a Flaxseed Dealer Agreement with CCC, which authorizes such dealer to accept delivery of eligible flaxseed under this program for the account of CCC. A list of authorized dealers to whom flaxseed may be delivered for the account of CCC under this program may be obtained from the offices indicated in § 601.2152.

§ 601.2159 *Purchase documents.* (a) The purchase documents shall consist of the "Non-Negotiable Flaxseed Dealer's Receipt and Grade Certificate" issued to the producer for flaxseed delivered, the purchase settlement form and such other forms as may be prescribed by CCC.

(b) The receipt must be issued in the name of the producer and must be dated on or before July 31, 1952. Each receipt or the supplemental certificate (in duplicate) properly identified with the receipt, must show: (1) Gross weight or bushels, (2) grade, (3) test weight, (4) dockage, and (5) percentage of damage when such factor, and not test weight, determines the grade. The receipt or the supplemental certificate must show whether the flaxseed arrived by rail, truck or barge. In the case of warehouse receipts issued for flaxseed delivered by rail or barge, the grading factors on the receipt or the supplemental certificate must agree with the inbound inspection certificates for the car or barge.

§ 601.2160 *Determination of quantity.* (a) The number of bushels of flaxseed delivered shall be determined by weight at time of delivery. A bushel shall be 56 pounds of flaxseed free of dockage.

(b) The percentage of dockage shall be determined in accordance with the Official Grain Standards of the United States for Flaxseed, and the weight of said dockage shall be deducted from the gross weight of the flaxseed in determining the net quantity for purchase.

§ 601.2161 *Liens.* The flaxseed must be free and clear of all liens and encumbrances, or, if liens and encumbrances exist on the flaxseed, proper waivers must be presented to the county committees at the time of application for delivery instructions.

§ 601.2162 *Service charge.* A service charge of one-half cent per bushel or a minimum of $1.50, whichever is greater, shall be charged the producer on each purchase of flaxseed made by CCC under this program. The amount of the service charge shall be deducted from the purchase price at the time of settlement.

§ 601.2163 *Set-offs.* If the producer is indebted to CCC on any accrued obligation, or if any installments past due or maturing within twelve months are unpaid on any loan made available by CCC on farm-storage facilities, whether held by CCC or a lending agency, he must designate CCC or such lending agency as the payee of the proceeds of the purchase to the extent of such indebtedness or installments, but not to exceed that portion of the proceeds remaining after deduction of service charges and amount due prior lienholders. However, prepayment of only one principal installment on a farm-storage facility loan shall be deducted from the price support proceeds of any crop year. If the producer is indebted to any other agency of the United States and such indebtedness is listed on the county debt register, he must designate such agency as the payee of the proceeds as provided above. Indebtedness owing to CCC or to a lending agency as provided above shall be given first consideration after claims of prior lienholders. Compliance with the provisions of this section shall not constitute a waiver of any right of the producer to contest the justness of the indebtedness involved either by administrative appeal or by legal action.

§ 601.2164 *Payment.* Payment to the producer for flaxseed delivered under this program shall be made by the PMA county office through sight draft drawn on CCC, and on the basis of the purchase documents indicated in § 601.2159, subject to the provisions of set-offs and service charge.

Issued this 1st day of April, 1952.

JOHN H. DEAN,
Acting Vice President,
Commodity Credit Corporation.

Approved:

G. F. GEISSLER,
President,
Commodity Credit Corporation.

[F. R. Doc. 52-3903; Filed, Apr. 4, 1952; 8:46 a. m.]

TITLE 7—AGRICULTURE

Chapter IX—Production and Marketing Administration (Marketing Agreement and Orders), Department of Agriculture

[Lemon Reg. 429]

PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA

LIMITATION OF SHIPMENTS

§ 953.536 *Lemon Regulation 429*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953; 14 F. R. 3612), regulating the handling of lemons grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of the quantity of such lemons which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must

become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of lemons, grown in the State of California or in the State of Arizona, are currently subject to regulation pursuant to said amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein was promptly submitted to the Department after an open meeting of the Lemon Administrative Committee on April 2, 1952, such meeting was held, after giving due notice thereof to consider recommendations for regulation, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this regulation effective during the period hereinafter specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time thereof.

(b) *Order.* (1) The quantity of lemons grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., April 6, 1952, and ending at 12:01 a. m., P. s. t., April 13, 1952, is hereby fixed as follows:

(i) District 1: Unlimited movement;

(ii) District 2: 300 carloads;

(iii) District 3: Unlimited movement.

(2) The prorate base of each handler who has made application therefor, as provided in the said amended marketing agreement and order, is hereby fixed in accordance with the prorate base schedule which is attached hereto and made a part hereof by this reference.

(3) As used in this section, "handled," "handler," "carloads," "prorate base," "District 1," "District 2" and "District 3," shall have the same meaning as when used in the said amended marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup., 608c)

Done at Washington, D. C., this 3d day of April 1952.

[SEAL] FLOYD F. HEDLUND,
Acting Director, Fruit and Vegetable Branch, Production and Marketing Administration.

PRORATE BASE SCHEDULE

[Storage date: Mar. 30, 1952]

District No. 2

[12:01 a. m. Apr. 6, 1952, to 12:01 a. m. Apr. 20, 1952]

Handler	Prorate base (percent)
Total	100.000
American Fruit Growers, Inc., Corona	.438

PRORATE BASE SCHEDULE—Continued

District No. 2—Continued

Handler	Prorate base (percent)
American Fruit Growers, Inc., Fullerton	1.780
American Fruit Growers, Inc., Upland	.451
Eadington Fruit Co.	.569
Haseltine Packing Co.	.996
Ventura Coastal Lemon Co.	1.913
Ventura Pacific Co.	1.700
Glendora Lemon Growers Association	2.318
La Verne Lemon Association	.973
La Habra Citrus Association	2.012
Yorba Linda Citrus Association, The	.756
Escondido Lemon Association	5.748
Alta Loma Heights Citrus Association	.734
Etiwanda Citrus Fruit Association	.432
Mountain View Fruit Association	.259
Old Baldy Citrus Association	.975
San Dimas Lemon Association	2.031
Upland Lemon Growers Association	3.987
Central Lemon Association	1.616
Irvine Citrus Association	1.467
Placentia Mutual Orange Association	2.655
Corona Citrus Association	.560
Corona Foothill Lemon Co.	2.783
Jameson Co.	1.185
Arlington Heights Citrus Co.	1.897
College Heights Orange & Lemon Association	1.871
Chula Vista Citrus Association, The	1.487
Escondido Cooperative Citrus Association	.355
Fallbrook Citrus Association	2.941
Lemon Grove Citrus Association	.780
Carpinteria Lemon Association	2.106
Carpinteria Mutual Citrus Association	2.193
Goleta Lemon Association	2.400
Johnston Fruit Co.	2.618
North Whittier Heights Citrus Association	.939
San Fernando Heights Lemon Association	2.806
Sierra Madre-Lamanda Citrus Association	1.422
Briggs Lemon Association	1.180
Culbertson Lemon Association	1.272
Fillmore Lemon Association	1.034
Oxnard Citrus Association	4.399
Rancho Sespe	.623
Santa Clara Lemon Association	2.586
Santa Paula Citrus Fruit Association	2.693
Saticoy Lemon Association	2.182
Seaboard Lemon Association	3.569
Somis Lemon Association	3.071
Ventura Citrus Association	.562
Ventura County Citrus Association	.317
Limoneira Co.	2.690
Teague-McKevett Association	.711
East Whittier Citrus Association	.854
Leffingwell Rancho Lemon Association	.734
Murphy Ranch Co.	1.585
Chula Vista Mutual Lemon Association	.875
Index Mutual Association	.600
La Verne Cooperative Citrus Association	3.165
Orange Belt Fruit Distributors	.909
Ventura County Orange & Lemon Association	1.593
Whittier Mutual Orange & Lemon Association	.125
Evans Bros. Packing Co.	.004
Huarte, Joseph D.	.045
Latimer, Harold	.027
MacDonald Fruit Co.	.010
Torn Ranch	.005
Paramount Citrus Association, Inc.	.407

[F. R. Doc. 52-3989; Filed, Apr. 4, 1952; 8:57 a. m.]

PART 972—MILK IN THE TRI-STATE MARKETING AREA

ORDER AMENDING THE ORDER, AS AMENDED

MARKETING SERVICE DEDUCTIONS

AUTHORITY: §§ 972.0 to 972.91 issued under sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c.

§ 972.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth in this part.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Tri-State marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk produced for sale in the said marketing area as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supplies of and demand for such milk, and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* It is necessary in the public interest to make this order amending the order, as amended, effective not later than April 1, 1952. Any delay beyond that date in making this order amending the order as amended, effective will tend to disrupt the orderly marketing of milk in the Tri-State marketing area. Certain of the amendatory provisions of this order amending the order, as amended, are of a seasonal nature and effect changes which should be made on April 1. The changes effected by this order amending the order, as amended, do not require persons affected to make substantial or extensive preparation prior to the effective date. Proposed amendments which would result in changes similar to those effected by this order amending the order, as amended, were considered at a public hearing on January 24, 1952; a recommended decision in this proceeding, to which interested parties were given an opportunity to file written exceptions, was issued on March 18, 1952; and a decision in this proceeding was issued on March 28, 1952. Under these circumstances persons affected by this order amending the order, as amended, have been afforded a reasonable time within which to prepare for its effective date. Therefore, good cause exists, pursuant to section 4 (c) of the Administrative Procedure Act (5 U. S. C. 1000) for making this order amending the order, as amended, effective April 1, 1952.

(c) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing or shipping milk covered by this order amending the order, as amended, which is marketed within the Tri-State marketing area) of more than 50 percent of the milk which is marketed within the said marketing area, refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area, and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order amending the order, as amended, is the only practical means, pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the said marketing area; and

(3) The issuance of this order amending the order, as amended, is approved or favored by at least two-thirds of the producers who, during the determined representative period (January 1952), were engaged in the production of milk for sale in the said marketing area.

Order relative to handling. It is therefore ordered that on and after the effective date hereof the handling of milk in the Tri-State marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

DEFINITIONS

§ 972.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.).

§ 972.2 *Secretary.* "Secretary" means the Secretary of Agriculture of the United States or such other officer or employee of the United States authorized to exercise the powers or to perform the duties of the Secretary of Agriculture.

§ 972.3 *Department of Agriculture.* "Department of Agriculture" means the United States Department of Agriculture or such other Federal agency authorized to perform the price reporting functions specified in §§ 972.40 and 972.44.

§ 972.4 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 972.5 *Tri-State marketing area.* "Tri-State marketing area," hereinafter called the "marketing area," means the territory lying within the corporate limits of the cities of Ashland, Kentucky; Huntington and Parkersburg, West Virginia; Marietta, Ironton, and Gallipolis, Ohio; and all territory lying within Athens and Scioto Counties, Ohio, including but not limited to all municipal corporations in said counties.

§ 972.6 *Huntington district.* "Huntington district" means that portion of the marketing area lying within the corporate limits of the cities of Ashland, Kentucky; Huntington, West Virginia; and Ironton and Gallipolis, Ohio.

§ 972.7 *Route.* "Route" means delivery route (including a plant store) on which milk, skim milk, buttermilk, flavored milk, or flavored milk drink is distributed for consumption in fluid form to wholesale or retail stops other than to any milk plant(s).

§ 972.8 *Fluid milk plant.* "Fluid milk plant" means a plant out of which a route is operated wholly or partially within the marketing area: *Provided,* That a "fluid milk plant" shall not mean such portions of a building or facilities used for receiving or processing such milk, or milk product, as is required by the appropriate health authority to be kept physically separate from the receiving or processing of Class I milk for the community(s) served.

§ 972.9 *Nonfluid milk plant.* "Nonfluid milk plant" means any milk processing or manufacturing plant not a fluid milk plant described in § 972.8.

§ 972.10 *Producer.* "Producer" means a person who produces milk received:

(a) At a fluid milk plant,

(b) At a nonfluid milk plant by diversion within April, May, June, or July from a fluid milk plant, or

(c) By an association in its capacity as a handler: *Provided,* That such person producing milk holds a dairy farm inspection permit or equivalent certification if required by the appropriate health authority of the community for which his milk is produced.

§ 972.11 *Producer milk.* "Producer milk" means milk produced by one or more producers under the conditions set forth in § 972.10.

§ 972.12 *Delivery period.* "Delivery period" means the calendar month or the total portion thereof during which this part is in effect.

§ 972.13 *Handler.* "Handler" means:
(a) A person who operates a fluid milk plant, or
(b) An association of producers with respect to milk customarily received as producer milk at a fluid milk plant which is diverted by such association within April, May, June or July on its account from a fluid milk plant to a nonfluid milk plant.

§ 972.14 *Producer-handler.* "Producer-handler" means any person who:
(a) Produces milk but receives no milk from dairy farmers, and
(b) Operates a route extending into the marketing area.

§ 972.15 *Huntington district plant.* "Huntington district plant" means a fluid milk plant:
(a) Located within the Huntington district, or
(b) Located outside the marketing area from which 50 percent or more of its disposition of milk in the marketing area is in the Huntington district.

§ 972.16 *Other source milk.* "Other source milk" means all skim milk (including reconstituted skim milk) and butterfat not received from a producer, or from a fluid milk plant, but:
(a) Contained in milk, skim milk, or cream, or
(b) Used to produce any milk product.

MARKET ADMINISTRATOR

§ 972.20 *Designation.* The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

§ 972.21 *Powers.* The market administrator shall have the following powers with respect to this part:
(a) To administer its terms and provisions;
(b) To make rules and regulations to effectuate its terms and provisions;
(c) To receive, investigate, and report to the Secretary complaints of violations; and
(d) To recommend amendments to the Secretary.

§ 972.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including, but not limited to, the following:
(a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon such duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;
(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;
(c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted, to the market administrator;
(d) Pay, out of the funds provided by § 972.71:
(1) The cost of his bond and of the bonds of his employees;
(2) His own compensation; and
(3) All other expenses, except those incurred under § 972.75 necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;
(e) Keep such books and records as will clearly reflect the transactions provided for in this part, and upon request by the Secretary, surrender the same to such other person as the Secretary may designate;
(f) Publicly announce, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who within 15 days after the day upon which he is required to perform such acts, has not made:
(1) Reports pursuant to §§ 972.25 or 972.26, or
(2) Payments pursuant to §§ 972.65, 972.66, 972.68, or 972.70 through 972.81;
(g) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;
(h) Upon request, supply on or before the 25th day after the end of each delivery period to each association of producers with respect to producers whose membership in such association has been verified by the market administrator, a record of the pounds of milk received by each handler from member producers and the class utilization of such milk. For the purpose of this report such member milk shall be prorated to each class in the proportions that the total receipts of milk from producers by such handler were classified in each class;
(i) Audit all reports and payments by each handler by inspection of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends; and
(j) Publicly announce, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the prices determined for each delivery period as follows:
(1) On or before the 5th day after the end of such delivery period, the class prices and butterfat differentials computed pursuant to §§ 972.41 through 972.44; and
(2) On or before the 10th day after the end of such delivery period, the uniform prices computed pursuant to §§ 972.61 and 972.62 and the butterfat differential computed pursuant to § 972.70.

REPORTS, RECORDS, AND FACILITIES

§ 972.25 *Delivery period reports of receipts and utilization.* On or before the 5th day after the end of each delivery period each handler, except a producer-handler, shall report the following to the market administrator with respect to all producer milk received, all other source milk received at a fluid milk plant, and all skim milk and butterfat received in any form at a fluid milk plant from any other fluid milk plant, within such delivery period in the detail and on forms prescribed by the market administrator;
(a) The quantities of butterfat and quantities of skim milk contained in (or used in the production of) such receipts, and their sources;
(b) The utilization of such receipts; and
(c) Such other information with respect to such receipts and utilization as the market administrator may prescribe.

§ 972.26 *Other reports.* Handlers shall submit other reports as follows:
(a) The intention to receive other source milk shall be reported by the receiving handler on or before the first day other source milk is received and the intention to discontinue such receipts shall be reported on or before the last day such milk is received.
(b) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may request.
(c) On or before the 20th day after the end of each delivery period each handler shall submit to the market administrator such handler's producer payroll for the delivery period, which shall show:
(1) The total pounds of milk received from each producer and association of producers and the total pounds of butterfat contained in such milk,
(2) The amount of payment to each producer and association of producers, and
(3) The nature and the amount of any deductions and charges involved in the payments referred to in subparagraph (2) of this paragraph.

§ 972.27 *Records and facilities.* Each handler shall maintain, and make available to the market administrator during the usual hours of business, such accounts and records of his operations and such facilities as, in the opinion of the market administrator, are necessary to verify or to establish the correct data with respect to:
(a) The utilization, in whatever form, of all skim milk and butterfat received;
(b) The weights, samples, and tests for butterfat and for other content of all skim milk and butterfat handled;
(c) Payments to producers and associations of producers, and
(d) The pounds of skim milk and butterfat contained in or represented by all milk, skim milk, cream and each milk product on hand at the beginning and at the end of each delivery period.

§ 972.28 *Retention of records.* All books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the calendar month to which such books and records pertain, except that all such books and records pertaining to transactions before August 1, 1946, shall be retained until October 1, 1949: *Provided*, That if with-

in such three-year period or before October 1, 1949, whichever is applicable, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

§ 972.30 *Skim milk and butterfat to be classified.* Skim milk and butterfat contained in milk, skim milk, and cream, or used to produce milk products, received from all sources within the delivery period by a handler at his fluid milk plant(s), and all producer milk received within the delivery period in the manner described in § 972.13 (b), shall be classified by the market administrator pursuant to §§ 972.31 through 972.34.

§ 972.31 *Classes of utilization.* Subject to the conditions set forth in §§ 972.32 through 972.34, the skim milk and butterfat described in § 972.30 shall be classified by the market administrator on the basis of the following classes:

(a) Class I milk shall be all skim milk (including reconstituted skim milk) and butterfat:

(1) Disposed of in fluid form as milk, skim milk (except as provided in paragraph (c) (2) and (3) of this section), or flavored milk or flavored milk drink; and

(2) Not specifically accounted for under subparagraph (1) of this paragraph or as Class II milk or Class III milk.

(b) Class II milk shall be all skim milk (including reconstituted skim milk) and butterfat disposed of in fluid form as cream or any mixture of cream and milk (or skim milk) containing not less than 6 percent of butterfat, or buttermilk (except as provided in paragraph (c) (2) of this section).

(c) Class III milk shall be all skim milk and butterfat:

(1) Used to produce a milk product other than any of those specified in paragraphs (a) (1) or (b) of this section;

(2) Dumped or disposed of for livestock feeding as skim milk or buttermilk;

(3) Disposed of as bulk skim milk to any manufacturer of candy, soup, or bakery products who does not dispose of milk in fluid form;

(4) In actual plant shrinkage of producer milk computed pursuant to § 972.32 (d) but not in excess of 2 percent thereof; and

(5) In actual plant shrinkage of other source milk computed pursuant to § 972.32 (d).

§ 972.32 *Shrinkage.* The market administrator shall determine the shrinkage of skim milk and butterfat, respectively, in producer milk and in other source milk in the following manner:

(a) Compute the total shrinkage of skim milk and butterfat, respectively, by:

(1) Combining the shrinkage thereof for all fluid milk plants operated by the handler, and

(2) Combining in a separate sum the shrinkage thereof for all nonfluid milk plants operated by him to which any skim milk or butterfat has been transferred from any of his fluid milk plants;

(b) Prorate the shrinkage of skim milk and butterfat, respectively, computed pursuant to paragraph (a) (2) of this section in such nonfluid milk plants between:

(1) Skim milk or butterfat, respectively, transferred from any of his fluid milk plants, and

(2) Skim milk or butterfat, respectively, received from all other sources;

(c) Add to the shrinkage of skim milk and butterfat, respectively, computed pursuant to paragraph (a) (1) of this section, the shrinkage of skim milk or butterfat, respectively, transferred from the handler's fluid milk plants to his nonfluid milk plants, computed pursuant to paragraph (b) of this section; and

(d) Prorate the total shrinkage of skim milk and butterfat, respectively, computed pursuant to paragraph (c) of this section between producer milk and other source milk at his fluid milk plants after deducting from the total receipts therein, the receipts from fluid milk plants other than his own.

§ 972.33 *Responsibility of handlers and reclassification of milk.* All skim milk and butterfat shall be Class I milk, unless the handler who first receives such skim milk or butterfat proves to the market administrator that such skim milk or butterfat should be classified otherwise. Any skim milk or butterfat classified (except that transferred to a producer-handler) in one class shall be reclassified if used or reused by such handler or by another handler in another class.

§ 972.34 *Transfers.* Skim milk or butterfat transferred from a handler's fluid milk plant to any other plant shall be classified as Class I milk if so transferred as any item listed in § 972.31 (a) (1) and as Class II milk if so transferred as any item listed in § 972.31 (b):

(a) To another fluid milk plant of a handler (except a producer-handler) unless utilization in another class is mutually indicated in writing to the market administrator by both handlers on or before the 5th day after the end of the delivery period within which such transfer was made: *Provided,* That skim milk or butterfat assigned to a particular class shall be limited to the amount thereof remaining in such class in the fluid milk plant of the transferee handler after the subtraction of other source milk pursuant to § 972.36 (a) (2), and any excess of such transferred skim milk or butterfat, respectively, shall be assigned in series beginning with the next lowest-priced available class;

(b) To a producer-handler; and

(c) To a nonfluid milk plant unless:

(1) Other utilization is mutually indicated in writing to the market administrator by both the buyer and seller on or before the 5th day after the end of the delivery period within which such transfer was made,

(2) The buyer maintains books and records showing utilization of all skim milk and butterfat at his plant which are made available if requested by the market administrator for audit, and

(3) Such buyer's plant had actually used not less than an equivalent amount of skim milk or butterfat in the use indicated in such statement: *Provided,* That if such buyer's plant had not actually used an equivalent amount of skim milk or butterfat in such indicated use, the remaining pounds shall be classified in the next lowest-priced available class of utilization as if the classes of utilization set forth in § 972.31 were applicable to such buyer's plant.

§ 972.35 *Computation of skim milk and butterfat in each class.* For each delivery period, the market administrator shall correct for mathematical and for other obvious errors the delivery period report submitted by each handler and compute the total pounds of skim milk and butterfat, respectively, in Class I milk, Class II milk and Class III milk for such handler.

§ 972.36 *Allocation of skim milk and butterfat classified.* The classification of skim milk and butterfat in producer milk shall be determined as follows:

(a) The pounds of skim milk remaining in each class after making the following computations shall be the pounds in such class allocated to producer milk:

(1) Subtract from the total pounds of skim milk in Class III milk the pounds of skim milk in plant shrinkage pursuant to § 972.31 (c) (4);

(2) Subtract from the pounds of skim milk remaining in each class after making the deduction pursuant to subparagraph (1) of this paragraph, in series beginning with the lowest-priced available class, the pounds of skim milk in other source milk;

(3) Subtract from the remaining pounds of skim milk in each class the pounds of skim milk received from other fluid milk plants in such classes pursuant to § 972.34 (a);

(4) Add to the remaining pounds of skim milk in Class III milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; and

(5) If the remaining pounds of skim milk in all classes exceed the pounds of skim milk in producer milk, subtract such excess from the remaining pounds of skim milk in each class in series beginning with the lowest-priced available class.

(b) Allocate classified butterfat to producer milk according to the method prescribed in paragraph (a) of this section for skim milk.

(c) Determine the weighted average butterfat test of the remaining milk in each class computed pursuant to paragraphs (a) and (b) of this section.

MINIMUM PRICES

§ 972.40 *Basic formula price to be used in determining class prices.* The basic formula price per hundredweight of milk to be used in determining the class prices provided by §§ 972.41 through 972.43 shall be the highest of the prices

per hundredweight for milk of 3.5 percent butterfat content determined by the market administrator pursuant to paragraphs (a), (b), or (c) of this section computed to the nearest tenth of a cent.

(a) The average of the basic (or field) prices per hundredweight reported to have been paid or to be paid for milk of 3.5 percent butterfat content received from farmers during the delivery period at the following plants or places for which prices have been reported to the market administrator or to the Department of Agriculture.

Present Operator and Location

Borden Co., Black Creek, Wis.
Borden Co., Greenville, Wis.
Borden Co., Mt. Pleasant, Mich.
Borden Co., New London, Wis.
Borden Co., Orfordville, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Jefferson, Wis.
Carnation Co., Chilton, Wis.
Carnation Co., Oconomowoc, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Sparta, Mich.
Pet Milk Co., Belleville, Wis.
Pet Milk Co., Coopersville, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Wayland, Mich.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

(b) The price per hundredweight computed as follows:

(1) Multiply by six the average wholesale price per pound of 92-score butter at Chicago as reported by the Department of Agriculture for the delivery period;

(2) Add an amount equal to 2.4 times the average weekly prevailing price per pound of "Twins" during the delivery period on the Wisconsin Cheese Exchange at Plymouth, Wisconsin: *Provided*, That if the price of "Twins" is not quoted on the Wisconsin Cheese Exchange the weekly prevailing price per pound of "Cheddars" shall be used; and

(3) Divide by seven, add 30 percent thereof, and then multiply by 3.5.

(c) The price per hundredweight computed by adding together the plus values pursuant to subparagraphs (1) and (2) of this paragraph:

(1) From the average wholesale price per pound of 92-score butter at Chicago, as reported by the Department of Agriculture for the delivery period, subtract three cents, add 20 percent thereof, and then multiply by 3.5; and

(2) From the average of the carlot prices per pound of nonfat dry milk solids for human consumption, spray and roller process, f. o. b. manufacturing plants, as published for the Chicago area for the delivery period by the Department of Agriculture, including in such average the quotations published for any fractional part of the previous delivery period which were not published and available for the price determination of such nonfat dry milk solids for the previous delivery period, deduct 5.5 cents, multiply by 8.5 and then multiply by 0.965.

§ 972.41 *Class I milk prices.* Subject to the provisions of §§ 972.44 through 972.47, the minimum prices per hundredweight on a 3.5 percent butterfat content basis to be paid by each handler for producer milk classified as Class I milk, shall be the basic formula price determined pursuant to § 972.40 adjusted as follows:

(a) Add the following amounts for the delivery periods indicated:

Delivery period	Huntington district plants	Other plants
May and June	$1.10	$0.90
March, April, July, and August	1.20	1.00
September and February	1.35	1.15
October, November, December, and January	1.60	1.40

(b) Add or subtract a "supply-demand adjustment" computed as follows:

(1) Divide the total gross volume of Class I milk (less interhandler transfers) at all fluid milk plants of handlers in the first and second preceding delivery periods by the total receipts of milk from producers at such plants during the same delivery periods, multiply the result by 100, and round to the nearest whole number. The result shall be known as the "current utilization percentage."

(2) Compute a "net utilization percentage" by subtracting from the current utilization percentage as computed in subparagraph (1) of this paragraph the "standard utilization percentage" shown below:

Delivery period for which price is being computed:	*Standard utilization percentage*
January	102
February	100
March	98
April	93
May	86
June	73
July	64
August	64
September	67
October	75
November	88
December	98

(3) Determine the amount of the supply-demand adjustment as follows:

If net utilization percentage is—	Supply-demand adjustment for specified delivery period is—		
	Jan., Feb., Mar., Aug., and Sept.	Apr., May, June, and July	Oct., Nov., and Dec.
	Cents	*Cents*	*Cents*
+12 or over	+38	+25	+50
+9 or +10	+28	+19	+38
+6 or +7	+20	+13	+26
+3 or +4	+10	+7	+14
+1 or −1	0	0	0
−3 or −4	−10	−14	−7
−6 or −7	−20	−26	−13
−9 or −10	−28	−36	−19
−12 or −13	−38	−50	−25
−15 or −16	−38	−50	−31
−18 or −19	−38	−50	−37
−21 or −22	−38	−50	−43
−24 or under	−38	−50	−50

When the net utilization percentage does not fall within a tabulated bracket, the supply-demand adjustment shall be determined by the adjacent bracket which is the same or nearest to the bracket used in the previous month. If in the first delivery period this supply-demand adjustment is in effect the net utilization percentage does not fall within a tabulated bracket, the supply-demand adjustment shall be determined by the adjacent bracket which would have been used in determining the supply-demand adjustment had it been in effect in the previous month.

§ 972.42 *Class II milk prices.* Subject to the provisions of §§ 972.44 through 972.47, the minimum prices per hundredweight of a 3.5 percent butterfat content basis to be paid by each handler for producer milk classified as Class II milk shall be the Class I milk price determined pursuant to § 972.41 minus 30 cents.

§ 972.43 *Class III milk prices.* Subject to the provisions of §§ 972.44 through 972.47, the minimum price per hundredweight on a 3.5 percent butterfat content basis to be paid by each handler for producer milk classified as Class III milk, shall be the basic formula price.

§ 972.44 *Butterfat differentials to handlers.* If the weighted average butterfat test of producer milk which is classified in any class, respectively, for any handler, is more or less than 3.5 percent, there shall be added to or subtracted from, as the case may be, the price for such class, for each one-tenth of one percent that such weighted average butterfat test is above or below 3.5 percent, a butterfat differential (computed to the nearest tenth of a cent) calculated by the market administrator for such class as follows:

(a) *Class I milk.* Multiply by 1.2 the average wholesale price per pound of 92-score butter at Chicago as reported by the Department of Agriculture for the delivery period, divide the result by 10 and add 1.0 cent.

(b) *Class II milk.* Multiply by 1.2 the average wholesale price per pound of 92-score butter at Chicago as reported by the Department of Agriculture for the delivery period, divide the result by 10 and add 0.5 cent.

(c) *Class III milk.* Multiply by 1.2 the average wholesale price per pound of 92-score butter at Chicago as reported by the Department of Agriculture for the delivery period and divide the result by 10.

§ 972.45 *Emergency price provisions.* Whenever the provisions of this part require the market administrator to use a specific price (or prices) for milk or any milk product for the purpose of determining class prices or for any other purpose, the market administrator shall add to the specified price the amount of any subsidy or other similar payment being made by any Federal agency in connection with the milk, or product, associated with the price specified: *Provided*, That if for any reason the price specified is not reported or published as indicated, the market administrator shall use the applicable maximum uniform price established by regulations of any Federal agency plus the amount of any subsidy or other similar payment: *Provided further*, That if the specified price is not reported or published and there is no applicable maximum uniform price, or if the specified price is not reported or published and the Secretary determines that the market price is below the applicable maximum uniform

price, the market administrator shall use a price determined by the Secretary to be equivalent to or comparable with the prices specified.

§ 972.46 *Prices for Class I, Class II, and Class III milk disposed of outside the marketing area.* The price for Class I, Class II, and Class III milk disposed of outside the marketing area by a handler shall be those applicable, respectively, pursuant to §§ 972.41 through 972.43, to Class I, Class II, and Class III milk disposed of by such handler in the marketing area.

§ 972.47 *Price of Class I or Class II milk transferred by one handler to another handler.* The price of Class I or Class II milk transferred by a handler to another handler shall be that applicable to Class I or Class II milk at the selling handler's fluid milk plant, pursuant to §§ 972.41 and 972.42: *Provided*, That any hauling charge with respect thereto chargeable to producers or to associations of producers shall not exceed that customarily applied to deliveries of such producers from their farms to the selling handler's fluid milk plant.

APPLICATION OF PROVISIONS

§ 972.50 *Producer-handlers.* Sections 972.30 through 972.47 and §§ 972.60 through 972.76 shall not apply to a producer-handler. Any handler who desires to qualify as a producer-handler shall furnish to the market administrator for his verification, subject to review by the Secretary, evidence of his qualifications satisfactory to the market administrator, and he shall furnish similar evidence of subsequent changes in his operations that affcet his qualifications. Verification by the market administrator shall be made within 5 days after the date of receipt of such evidence, and shall be effective retroactively to the date on which the applicant became so eligible, but not earlier than the first day of the delivery period during which verification of such eligibility is made.

§ 972.51 *Exempt milk.* Milk received at a plant of a handler the handling of which the Secretary determines to be subject to the pricing and payment provisions of any other Federal milk marketing agreement or order issued pursuant to the act for any fluid milk marketing area shall not be subject to the pricing and payment provisions of this part.

§ 972.52 *Milk caused to be delivered by an association of producers.* Milk referred to in this part as received from producers by a handler shall include producer milk caused to be delivered to such handler by an association of producers which is not a handler and which is authorized to collect payment for such milk.

§ 972.53 *Diverted milk.* Producer milk diverted by an operator of a fluid milk plant from such plant to a nonfluid milk plant shall be deemed to have been received by the fluid milk plant from which such milk was diverted. Producer milk diverted by an association of producers from a fluid milk plant to a nonfluid milk plant shall be deemed to have been received by such an association.

DETERMINATION OF UNIFORM PRICES

§ 972.60 *Computation of value of milk.* The value of producer milk received during each delivery period by each handler shall be a sum of money computed by the market administrator by (a) multiplying the pounds of such milk in each class for the delivery period, by the applicable class prices, and (b) adding together the resulting amounts: *Provided*, That if a handler, after subtracting other source milk and receipts from other handlers, has disposed of skim milk or butterfat in excess of the skim milk or butterfat which, on the basis of his reports, has been credited to producers as having been received from them, there shall be added an amount computed by multiplying the pounds in each class determined pursuant to § 972.36 (a) (5) and (b) by the applicable class prices.

§ 972.61 *Computation of uniform price for plants other than Huntington district plants.* For each delivery period the market administrator shall compute the "uniform price" per hundredweight to be paid to producers and to associations of producers for milk of 3.5 percent butterfat content received at fluid milk plants other than Huntington district plants, as follows:

(a) Combine into one total the values computed pursuant to § 972.60 for all handlers who made the reports prescribed by § 972.25, except those in default of the payments prescribed in § 972.68 for the preceding delivery period;

(b) Add an amount equal to one-half of the cash balance in the producer-settlement fund, less the amount due handlers pursuant to § 972.69;

(c) Subtract, if the weighted average butterfat test of producer milk represented by the values included under paragraph (a) of this section is greater than 3.5 percent, or add, if such butterfat test is less than 3.5 percent, an amount computed by: Multiplying the amount by which its weighted average butterfat test varies from 3.5 percent by the butterfat differential computed pursuant to § 972.70, and multiplying the resulting figure by the total hundredweight of such milk;

(d) Subtract an amount computed by multiplying by 20 cents the total hundredweight of Class I milk and Class II milk in producer milk at all Huntington district plants;

(e) Divide the resulting amount by the total hundredweight of producer milk; and

(f) Subtract not less than 4 cents nor more than 5 cents (adjusting to the nearest one-tenth cent) from the amount per hundredweight computed under paragraph (e) of this section.

§ 972.62 *Computation of uniform price for Huntington district plants.* For each delivery period, the market administrator shall compute the "uniform price" per hundredweight to be paid to producers and to associations of producers for producer milk of 3.5 percent butterfat content received at Huntington district plants, as follows:

(a) Add to the amount per hundredweight resulting under § 972.61 (e), an amount per hundredweight computed by dividing the amount subtracted under § 972.61 (d) by the producer milk received at all Huntington district plants and represented in the values included under § 972.61 (a); and

(b) Subtract not less than 4 cents nor more than 5 cents (adjusting to the nearest one-tenth cent) from the amount per hundredweight computed under paragraph (a) of this section.

§ 972.63 *Notification of handlers.* On or before the 10th day after the end of each delivery period, the market administrator shall notify each handler of:

(a) The amount and value of his milk in each class and the totals thereof;

(b) The applicable uniform price;

(c) The amount due such handler from the producer-settlement fund or the amount to be paid by such handler to the producer-settlement fund, as the case may be; and

(d) The amount to be paid by each handler pursuant to §§ 972.65 and 972.70.

PAYMENTS

§ 972.65 *Time and method of final payment.* Each handler shall make payment, subject to the provisions of §§ 972.66, 972.70, 972.75 and 972.76, for all producer milk received during each delivery period, as follows:

(a) Except as set forth in paragraph (b) of this section, to each producer, on or before the 15th day after such delivery period, at not less than the applicable uniform price for milk of 3.5 percent butterfat: *Provided*, That if by such date such handler has not received full payment for such delivery period pursuant to § 972.69, he may reduce such payments uniformly per hundredweight for all producers by an amount not in excess of the per hundredweight reduction in payment from the market administrator; however, the handler shall make such balance of payment to those producers to whom it is due on or before the date for making payments pursuant to this paragraph next following that on which such balance of payment is received from the market administrator.

(b) To an association of producers for milk of producers from whom such association has received written authorization to collect payment, on or before the 14th day after such delivery period, of a total amount equal to not less than the sum of the individual amounts otherwise payable to such producers under paragraph (a) of this section.

§ 972.66 *Partial payments.* Handlers shall make partial payments to producers as follows:

(a) On or before the last day of each delivery period, each handler shall make payment, except as set forth in paragraph (b) of this section to each producer at not less than the applicable uniform price of the preceding delivery period for the milk of such producer which was received by such handler during the first 15 days of the current delivery period; and

(b) On or before the day immediately preceding the last day of each delivery period, each handler shall make payment to an association of producers for milk of producers from whom such associa-

tion has received written authorization to collect payment at not less than the applicable uniform price of the preceding delivery period for all such milk which was received by such handler during the first 15 days of the current delivery period.

§ 972.67 *Producer-settlement fund.* The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to § 972.68 and out of which he shall make all payments to handlers pursuant to § 972.69: *Provided,* That the market administrator shall offset any such payment due any handler against payments due from such handler.

§ 972.68 *Payments to the producer-settlement fund.* On or before the 13th day after each delivery period, each handler shall pay to the market administrator the amount by which the total value computed for him pursuant to § 972.60 for such delivery period is greater than the sum required to be paid by such handler pursuant to § 972.65.

§ 972.69 *Payments out of the producer-settlement fund.* On or before the 14th day after each delivery period the market administrator shall pay to each handler the amount by which the sum required to be paid pursuant to § 972.65 is greater than the total value computed for him pursuant to § 972.60 for such delivery period: *Provided,* That if the balance in the producer-settlement fund is insufficient to make all payments pursuant to this section, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available, and a handler who, on the 14th day after the delivery period, has not received full payment for such delivery period from the market administrator pursuant to this section shall not be deemed to be in violation of § 972.65 if he reduces his payments thereunder by not more than the amount of the reduction in payment from the producer-settlement fund.

§ 972.70 *Butterfat differential.* If, during the delivery period, any handler has received from any producer or from an association of producers, milk having a weighted average butterfat test other than 3.5 percent, such handler, in making the payments prescribed in § 972.65, shall add to, or subtract from, the applicable uniform price per hundredweight, for each one-tenth of 1 percent of such butterfat test in milk above or below, as the case may be, 3.5 percent, an amount computed by the market administrator as follows: Multiply by 1.2 the average wholesale price per pound of 92-score butter at Chicago, as reported by the Department of Agriculture for the delivery period, divide the result by 10, and round to the nearest tenth of a cent.

§ 972.71 *Expense of administration.* As his pro rata share of the expense incurred pursuant to § 972.22 (d) each handler shall pay the market administrator, on or before the 13th day after the end of each delivery period, 4 cents per hundredweight, or such lesser amount as the Secretary may prescribe, to be announced by the market administrator on or before the 10th day after the end of such delivery period with respect to all receipts within the delivery period, of producer milk (including such handler's own production) and other source milk at his fluid milk plant classified as Class I milk pursuant to § 972.31 (a) (1) and Class II milk: *Provided,* That an association of producers shall pay such pro rata share of expense of administration on producer milk with respect to which it is a handler.

MARKETING SERVICE DEDUCTIONS

§ 972.75 *Payments to market administrator.* Except as set forth in § 972.76, each handler shall deduct an amount not exceeding 6 cents per hundredweight (the exact amount to be determined by the market administrator subject to review by the Secretary) from the payments due pursuant to § 972.65, with respect to all producer milk received by such handler (except milk of such handler's own production) during each delivery period and shall pay such deductions to the market administrator on or before the 13th day after such delivery period. Such moneys shall be used by the market administrator to make, or check, weights, samples, and tests of producer milk received by handlers and to provide producers with market information, such services to be performed in whole or in part by the market administrator or by an agent engaged by and responsible to him.

§ 972.76 *Payments to cooperative associations.* In the case of producers for whom a cooperative association which, as determined by the Secretary:

(a) Is engaged in the collective sale or marketing of their milk,

(b) Has its entire activities under the control of its members,

(c) Meets the standards set forth in the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act," and

(d) Is actually performing the services set forth in § 972.75, each handler shall make, in lieu of the deductions specified in § 972.75, such deductions from the payments to be made to such producers as have been authorized by such producers and, on or before the 14th day after each delivery period, pay over such deductions to the cooperative association rendering such services.

ADJUSTMENT OF ACCOUNTS

§ 972.80 *Errors in payments.* Whenever audit by the market administrator of a handler's reports, books, records, or accounts discloses adjustments to be made, for any reason which result in moneys due:

(a) The market administrator from such handler,

(b) Such handler from the market administrator, or

(c) Any producer or association of producers from such handler, the market administrator shall promptly notify such handler of any such amount due; and explain the basis for such adjustment; and payment thereof shall be made on or before the next date for making payment set forth in the provision under which such error occurred, following the 5th day after such notice.

§ 972.81 *Overdue accounts.* Any unpaid obligation of a handler or of the market administrator pursuant to §§ 972.65, 972.66 or 972.68 through 972.80, shall be increased one-half of one percent on the first day of the calendar month next following the due date of such obligation and on the first day of each month thereafter until such obligation is paid.

MISCELLANEOUS PROVISIONS

§ 972.85 *Effective time.* The provisions of this part, or any amendment of this part, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated, pursuant to § 972.86.

§ 972.86 *Suspension or termination.* The Secretary may suspend or terminate this part or any provision of this part, whenever he finds that this part or any provision of this part, obstructs, or does not tend to effectuate the declared policy of the act. This part shall terminate, in any event, whenever the provisions of the act authorizing it cease to be in effect.

§ 972.87 *Continuing power and duty of the market administrator.* If, upon the suspension or termination of any or all provisions of this part, there are any obligations arising under this part the final accrual or ascertainment of which requires further acts by any handler, the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: *Provided,* That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate. The market administrator, or such other person as the Secretary may designate, shall:

(a) Continue in such capacity until discharged by the Secretary,

(b) From time to time account for all receipts and disbursements, and, when so directed by the Secretary, deliver all funds or property on hand, together with the books and records of the market administrator, to such person as the Secretary may direct, and

(c) If so directed by the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant to this part.

§ 972.88 *Liquidation after suspension or termination.* Upon the suspension or termination of any or all provisions of this part, the market administrator, or such person as the Secretary may designate shall, if so directed by the Secretary, liquidate the business of the market administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions of this

part, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

§ 972.89 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

§ 972.90 *Separability of provisions.* If any provision of this part, or the application thereof to any person or circumstances, is held invalid, the remainder of this part and the application of such provision to other persons or circumstances, shall not be affected thereby.

§ 972.91 *Termination of obligation.* The provisions of this section shall apply to any obligation under this part for the payment of money irrespective of when such obligation arose, except an obligation involved in an action instituted before August 1, 1949, under section 8c (15) (A) of the act or before a court.

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representatives all books and records required by this part to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this part to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c (15) (A) of the act, a petition claiming such money.

Issued at Washington, D. C., this 31st day of March 1952, to be effective on and after the 1st day of April 1952.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 52-3925; Filed, Apr. 4, 1952; 8:49 a. m.]

[Docket No. AO-176-A9]

PART 974—MILK IN THE COLUMBUS, OHIO, MARKETING AREA

ORDER AMENDING THE ORDER, AS AMENDED

Sec.

AUTHORITY: §§ 974.0 to 974.93 issued under sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup., 608c.

§ 974.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth in this part.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Columbus, Ohio, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk produced for sale in the said marketing area as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supplies of and demand for such milk, and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and

wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* It is necessary in the public interest to make this order amending the order, as amended, effective not later than April 1, 1952. Any delay beyond that date in making this order amending the order, as amended, effective will tend to disrupt the orderly marketing of milk in the Columbus, Ohio, marketing area. Representatives of both producers and handlers agreed at the hearing that any amendment resulting from this proceeding should become effective on April 1, 1952. Certain of the amendatory provisions of this order amending the order, as amended, are of a seasonal nature and effect changes which should be made on April 1. The changes effected by this order amending the order, as amended, do not require persons affected to make substantial or extensive preparation prior to the effective date. Proposed amendments which would result in changes similar to those effected by this order amending the order, as amended, were considered at a public hearing on February 4–5, 1952; a recommended decision in this proceeding, to which interested parties were given an opportunity to file written exceptions, was issued on March 19, 1952; and a decision in this proceeding was issued on March 28, 1952. Under these circumstances persons affected by this order amending the order, as amended, have been afforded a reasonable time within which to prepare for its effective date. Therefore, good cause exists, pursuant to section 4 (c) of the Administrative Procedure Act (5 U. S. C. 1000) for making this order amending the order, as amended, effective April 1, 1952.

(c) *Determinations.* It is hereby determined that handlers (excluding cooperative associations of producers who are not engaged in processing, distributing or shipping milk covered by this order, amending the order, as amended, which is marketed within the Columbus, Ohio, marketing area) of more than 50 percent of the milk which is marketed within the said marketing area, refused or failed to sign the proposed marketing agreement regulating the handling of milk in the said marketing area, and it is hereby further determined that:

(1) The refusal or failure of such handlers to sign said proposed marketing agreement tends to prevent the effectuation of the declared policy of the act;

(2) The issuance of this order amending the order, as amended, is the only practical means, pursuant to the declared policy of the act, of advancing the interests of producers of milk which is produced for sale in the said marketing area; and

(3) The issuance of this order amending the order, as amended, is approved or favored by at least two-thirds of the producers who, during the determined representative period (January 1952), were engaged in the production of milk for sale in the said marketing area.

Order relative to handling. It is therefore ordered that on and after the effective date hereof the handling of milk in the Columbus, Ohio, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

DEFINITIONS

§ 974.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.).

§ 974.2 *Secretary.* "Secretary" means the Secretary of Agriculture of the United States or any other employee of the United States who is, or who may hereafter be, authorized to exercise the powers and to perform the duties of the said Secretary of Agriculture.

§ 974.3 *Columbus, Ohio, marketing area.* "Columbus, Ohio, marketing area," hereinafter called the "marketing area," means the city of Columbus; the city of Bexley; and all territory, including but not being limited to all municipal corporations, within the townships of Blendon, Clinton, Franklin, Marion, Mifflin, Perry, Sharon, and Truro; all in Franklin County, Ohio.

§ 974.4 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 974.5 *Fluid milk plant.* "Fluid milk plant" means the premises and portions of the building and facilities used in the receipt and processing or packaging of milk all or a portion of which is disposed of from such plant during the month on a route(s), wholly or partially within the marketing area, but not including any portion of such buildings or facilities used for receiving or processing milk or any milk product required by the appropriate health authorities in the marketing area to be kept physically separate from the receiving and processing or packaging of milk for disposition as Class I milk in the marketing area.

§ 974.6 *Handler.* "Handler" means:

(a) Any person who receives producer milk at a fluid milk plant, and

(b) Any association of producers with respect to any producer milk constituting a part of the producer milk supply of a fluid milk plant which such association diverts on its account to a plant other than a fluid milk plant. Producer milk so diverted shall be deemed to have been received by such association.

§ 974.7 *Producer.* "Producer" means any person, including one who may also be a handler, who produces:

(a) Under a dairy farm permit issued by the appropriate health authorities in the marketing area, milk which is received at a fluid milk plant or by an association of producers in its capacity as a handler, or

(b) Milk which is received as a part of the dairy farm supply of a fluid milk plant not required by the appropriate health authorities in the marketing area to obtain its dairy farm supply from milk produced under dairy farm permits.

§ 974.8 *Producer milk.* "Producer milk" means any milk produced by one or more producers under the conditions set forth in § 974.7.

§ 974.9 *Other source milk.* "Other source milk" means:

(a) Milk,

(b) Skim milk,

(c) Cream, or

(d) Any milk product received at a fluid milk plant from sources other than producers or other handlers. "Other source milk" shall include, but shall not be limited to, milk, skim milk, cream, or any milk product received at such fluid milk plant under an emergency permit in writing issued by the appropriate health authorities in the marketing area.

§ 974.10 *Department of Agriculture.* "Department of Agriculture" means the United States Department of Agriculture or such other Federal agency authorized to perform the price reporting functions specified in § 974.50.

§ 974.11 *Route.* "Route" means a delivery (including a sale from a plant store) of milk, skim milk, buttermilk, or flavored milk drink in fluid form to a wholesale or retail stop(s), including a State or municipal institution, other than to a fluid milk plant(s) or to a plant(s) manufacturing milk products.

MARKET ADMINISTRATOR

§ 974.20 *Designation.* The agency for the administration of this part shall be a market administrator who shall be a person selected by the Secretary. Such person shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

§ 974.21 *Powers.* The market administrator shall have the power to:

(a) Administer all of the terms and provisions of this part;

(b) Make rules and regulations to effectuate the terms and provisions of this part; and

(c) Receive, investigate, and report to the Secretary complaints of violations of this part.

§ 974.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including, but not limited to, the following:

(a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon such duties and conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions of this part;

(c) Pay, out of the funds provided by § 974.77:

(1) The cost of his bond and of the bonds of those of his employees who handle funds entrusted to the market administrator,

(2) His own compensation, and

(3) All other expenses, except those incurred under § 974.78, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(d) Keep such books and records as will clearly reflect the transactions provided for in this part, and, upon request by the Secretary, surrender the same to his successor or to such other person as the Secretary may designate;

(e) Publicly announce, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person who, within 10 days after the day upon which he is required to perform such acts, has not made:

(1) Reports pursuant to § 974.30, or

(2) Payments pursuant to §§ 974.70, 974.73, 974.77, or 974.78;

(f) Submit his books and records to examination and furnish such information and verified reports as may be requested by the Secretary;

(g) On or before the 10th day after the end of each month, supply each cooperative association as described in § 974.79 upon request with a record of the amount and average butterfat test of milk received during such month and the amount of any advance payments made and of any deductions or charges from payments for such milk authorized with respect to each producer determined by the market administrator to be a member of such association or to have given written authorization to such association to receive such information;

(h) Audit all reports and payments by each handler by inspection of such handler's records and of the records of any other person upon whose utilization the classification of milk for such handler depends;

(i) Publicly announce, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the prices determined for each month as follows:

(1) On or before the 10th day after the end of each month, the minimum class prices for skim milk and butterfat computed pursuant to §§ 974.51, 974.52 and 974.53; and

(2) On or before the 10th day after the end of each month, the uniform price computed pursuant to § 974.63 and the butterfat differential computed pursuant to § 974.76;

(j) Prepare and disseminate to the public such statistics and information as he deems advisable and as do not reveal confidential information; and

(k) Publicly announce, unless otherwise directed by the Secretary, on or before the 10th day after the end of each month by posting in a conspicuous place in his office and by such other means as he deems appropriate the name of each handler who during such month received milk at his fluid milk plant directly from producers or associations of producers along with the percentages of such milk which was classified as Class I milk, Class II milk, and Class III milk.

REPORTS, RECORDS, AND FACILITIES

§ 974.30 *Reports of receipts and utilization.* On or before the 6th day after the end of each month, each handler, except as otherwise provided in § 974.31 (a) shall report to the market administrator for such month with respect to all producer milk and other source milk received during the month, in the detail and on forms prescribed by the market administrator:

(a) The quantities of butterfat and the quantities of skim milk contained therein (except that the quantities of the products should be substituted for the quantities of butterfat and skim milk in the case of products disposed of in the form in which received from other handlers or other sources),

(b) The utilization thereof, and

(c) Such other information with respect to such receipts and utilization as the market administrator may request: *Provided*, That any person operating more than one fluid milk plant shall make one report covering all such operations for the purposes of paragraphs (a), (b), and (c) of this section.

§ 974.31 *Other reports.* (a) Each handler who receives at his fluid milk plant no producer milk other than that from his own farm or from other handlers shall make reports to the market administrator at such time and in such manner as the market administrator may request.

(b) On or before the 6th day after the end of each month, each handler shall submit to the market administrator a report which shall show for the month:

(1) The total pounds of milk received from each producer and association of producers and the average butterfat test thereof,

(2) The amount and date of any advance payments to each producer and association of producers, and

(3) The nature and amount of each deduction or charge authorized from payments for such milk.

§ 974.32 *Records and facilities.* Each handler shall maintain and make available to the market administrator, or to his representative, during the usual hours of business, such accounts and records of any of his operations, including those of plants other than fluid milk plants, in which any producer milk is received, and such facilities as, in the opinion of the market administrator, are necessary to verify or to establish the correct data with respect to:

(a) The utilization in whatever form, of all skim milk and butterfat required to be reported pursuant to § 974.30;

(b) The weights, samples, and tests for butterfat and other contents of all milk and milk products previously received or utilized or currently being received or utilized; and

(c) Payments to producers or to associations of producers.

§ 974.33 *Retention of records.* All books and records required under this order to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the calendar month to which such books and records pertain: *Provided*, That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

§ 974.40 *Skim milk and butterfat to be classified.* Skim milk and butterfat contained in:

(a) All milk, skim milk, cream, and milk products (except in the case of milk products disposed of in the form in which received) received during the month by a handler at a fluid milk plant, and

(b) All producer milk received during the month in the manner described in § 974.6 (b), shall be classified by the market administrator in the classes set forth in § 974.41.

§ 974.41 *Classes of utilization.* Subject to the conditions set forth in §§ 974.42, 974.43 and 974.44, the classes of utilization shall be:

(a) Class I milk shall be all skim milk and butterfat:

(1) Disposed of (except that which has been dumped or disposed of for livestock feeding) as milk, skim milk, buttermilk, flavored milk, or flavored milk drinks,

(2) Used to produce concentrated milk (excluding those products commonly known as evaporated milk and condensed milk) for fluid consumption, and

(3) Not specifically accounted for under subparagraphs (1) and (2) of this paragraph or as Class II milk or Class III milk.

(b) Class II milk shall be all skim milk and butterfat:

(1) Disposed of in fluid form for consumption as sweet or sour cream, frozen cream, or any mixture of cream or milk (or skim milk), including eggnog, containing more than 6 percent of butterfat;

(2) Used to produce aerated products containing milk, cream or any combination thereof (such as "Reddi-Wip," "Instant Whip," etc.), condensed milk and condensed skim milk (except evaporated milk or skim milk in hermetically sealed cans), ice cream, ice cream mix, ice cream novelties, ice sherbets, or imitation ice cream; and

(3) Used to produce cottage cheese.

(c) Class III milk shall be all skim milk and butterfat specifically accounted for as:

(1) Having been used to produce any milk product other than as specified in paragraphs (a) (1) and (2) and (b) of this section;

(2) Having been dumped or disposed of for livestock feeding;

(3) Actual plant shrinkage of skim milk and butterfat in producer milk received but not to exceed 2 percent of such receipts of skim milk and butterfat, respectively; and

(4) Actual plant shrinkage of skim milk and butterfat in other source milk received: *Provided*, That if producer milk is utilized as milk, skim milk, or cream in conjunction with other source milk, the shrinkage allocated to each shall be computed pro rata according to the proportions of the volume of skim milk and butterfat, respectively, received from each source to their total: *And provided also*, That producer milk transferred by a handler to any plant of another handler without first having been received for purposes of weighing and testing in the transferring handler's fluid milk plant shall be included in the receipts at the plant of the second handler for the purpose of computing his plant shrinkage and shall be excluded from the receipts at the fluid milk plant of the transferring handler in computing his plant shrinkage.

§ 974.42 *Responsibility of handlers and reclassification of milk.* (a) In establishing the classification of skim milk and butterfat as required in §§ 974.41 and 974.43, the burden rests upon the first handler who receives such skim milk or butterfat to prove to the market administrator that such skim milk or butterfat should not be classified as Class I milk.

(b) Any skim milk or butterfat classified in one class shall be reclassified if found by the market administrator to have been used or disposed of (whether in original or other form) by such handler or by any other person in another class in accordance with such use or disposition.

§ 974.43 *Transfers.* (a) Subject to the conditions set forth in § 974.42 and paragraphs (c) and (d) of this section, skim milk and butterfat when transferred by a handler from a fluid milk plant to any other milk distributing or milk manufacturing plant in the form of milk, skim milk, flavored milk, flavored milk drinks, or buttermilk, shall be classified as follows:

(1) According to the utilization as mutually indicated in writing by both handlers if transferred to another fluid milk plant, except one as referred to in subparagraph (2) of this paragraph;

(2) As Class I milk if transferred to the fluid milk plant of a handler who receives no milk from producers or associations of producers other than such handler's own farm production; or

(3) As Class I milk if transferred to any such plant not a fluid milk plant: *Provided*, That if the transferring handler on or before the 5th day after the end of the month during which such transfer is made furnishes to the market administrator a statement signed also by the receiver that such skim milk and butterfat was used as Class II milk or Class III milk, and that such utilization may be audited at the receiving plant, such skim milk and butterfat shall be classified accordingly.

(b) Subject to the conditions set forth in § 974.42 and in paragraphs (c) and (d) of this section, skim milk and butterfat when transferred by a handler from a fluid milk plant to any other milk distributing or milk manufacturing plant in the form of cream shall be classified as follows:

(1) According to the utilization as mutually indicated by both handlers if transferred to another fluid milk plant, except one as referred to in subparagraph (2) of this paragraph;

(2) As Class II milk if transferred to the fluid milk plant of a handler who receives no milk from producers or from an association of producers other than such handler's own farm production; or

(3) As Class II milk if transfered to any such plant not a fluid milk plant: *Provided*, That if the transferring handler on or before the 5th day after the end of the delivery period during which such transfer is made furnishes to the market administrator a statement signed also by the receiver that such skim milk and butterfat was used as Class I milk or Class III milk, and that such utilization may be audited at the receiving plant, such skim milk and butterfat shall be classified accordingly.

(c) The utilization of all transfers made pursuant to paragraphs (a) (1) and (2) and (b) (1) and (2) of this section shall be subject to verification by the market administrator.

(d) No statement made relative to transfers as provided for in this section shall operate to deter the prior subtraction of other source milk pursuant to § 974.45 (b) or the prior subtraction of skim milk or butterfat pursuant to § 974.45 (c), or the pro rata subtraction of skim milk or butterfat pursuant to § 974.45 (e). Any quantity reported for allocation to a particular class but not eligible therefor because of § 974.45 (b) (c) or (e), shall be classified by the market administrator as Class I milk, pending his verification.

§ 974.44 *Classification of skim milk and butterfat for each handler.* For each month the market administrator shall correct for mathematical and for other obvious errors the monthly report submitted by each handler and compute separately the respective amounts of skim milk and butterfat in Class I milk, Class II milk and Class III milk, as follows:

(a) Determine the handler's total receipts by adding together the total pounds of milk, skim milk, and cream received, and the pounds of skim milk and butterfat used to produce all other milk products received (except milk products disposed of in the form in which received without further processing in his fluid milk plant) regardless of source;

(b) Determine the total pounds of butterfat contained in the total receipts computed pursuant to paragraph (a) of this section;

(c) Determine the total pounds of skim milk contained in the total receipts computed pursuant to paragraph (a) of this section by subtracting therefrom the total pounds of butterfat computed pursuant to paragraph (b) of this section;

(d) Determine the total pounds of butterfat in Class I milk by:

(1) Computing the aggregate amount of butterfat included in each of the several items of Class I milk; and

(2) Adding all other butterfat not specifically accounted for under subparagraph (1) of this paragraph or in Class II milk or Class III milk;

(e) Determine the total pounds of skim milk in Class I milk by:

(1) Computing the aggregate amount of skim milk and butterfat included in each of the several items of Class I milk;

(2) Subtracting the result obtained in paragraph (d) (1) of this section; and

(3) Adding all other skim milk not specifically accounted for under subparagraph (1) of this paragraph or in Class II milk or Class III milk;

(f) Determine the total pounds of butterfat in Class II milk by computing the aggregate amount of butterfat included in each of the several items of Class II milk;

(g) Determine the total pounds of skim milk in Class II milk by:

(1) Computing the aggregate amount of skim milk and butterfat included in (or, in the case of products other than cream or eggnog, used to produce) each of the several items of Class II milk; and

(2) Subtracting the result obtained in paragraph (f) of this section;

(h) Determine the total pounds of butterfat in Class III milk by:

(1) Computing the aggregate amount of butterfat used to produce each of the several items of Class III milk; and

(2) Adding actual plant shrinkage of butterfat referred to in paragraph (c) (2) and (4) of § 974.41; and

(i) Determine the total pounds of skim milk in Class III milk by:

(1) Computing the aggregate amount of skim milk and butterfat (in whatever form) used to produce each of the several items of Class III milk;

(2) Subtracting the result obtained in paragraph (h) (1) of this section; and

(3) Adding the actual plant shrinkage of skim milk referred to in paragraph (c) (3) and (4) of § 974.41.

§ 974.45 *Classification of skim milk and butterfat in producer milk for each handler.* For each month the market administrator shall compute separately the respective amounts of skim milk and butterfat of producer milk in Class I milk Class II milk and Class III milk for each handler by making the following computations in the order specified:

(a) Subtracting from Class III milk (other than butterfat used in buttermaking) the actual plant shrinkage of skim milk and butterfat, respectively, allowed pursuant to paragraph (c) (3) and (4) of § 974.41;

(b) Subtracting from the remaining pounds of skim milk and butterfat, in series beginning with the lowest-priced uses, the skim milk and butterfat, respectively, received as other source milk, except that received under an emergency permit in writing issued by the appro-

priate health authorities in the marketing area;

(c) Subtracting from the remaining pounds of skim milk and butterfat, in series beginning with the lowest-priced uses, the skim milk and butterfat, respectively, received from any other handler who received no milk from producers or from an association of producers other than such handler's own farm production;

(d) Adding to the remaining Class III milk the amount subtracted pursuant to paragraph (a) of this section;

(e) Subtracting pro rata from the remaining pounds of skim milk and butterfat in such class, the skim milk and butterfat, respectively, received as other source milk under an emergency permit in writing issued by the appropriate health authorities in the marketing area;

(f) Subtracting from the remaining pounds of skim milk and butterfat in each class (not including plant shrinkage on producer milk in Class III milk), the total pounds of skim milk and butterfat, respectively, received from other handlers (except those referred to in paragraph (c) of this section) and stated by the transferring handler and receiver to have been used in such class, to the extent of the amounts of skim milk and butterfat remaining in such class after making the computation pursuant to paragraph (e) of this section: *Provided*, That skim milk or butterfat allocated by such statements to Class II milk or Class III milk, in excess of amounts subtracted above pursuant to this paragraph shall be subtracted from Class I milk; and

(g) If the total amount of skim milk or butterfat in all classes after the computation made above pursuant to this paragraph, is greater than the skim milk or butterfat in producer milk, decrease the lowest-priced available class, or classes, by such excess.

MINIMUM PRICES

§ 974.50 *Basic formula prices.* The basic formula price per hundredweight of milk for the month shall be the higher of the prices as computed by the market administrator for such month pursuant to paragraphs (a) and (b) of this section.

(a) Compute the arithmetical average of the basic (or field) prices per hundredweight reported to have been paid, or to be paid, for milk of 3.5 percent butterfat content received from farmers during the month at the following places for which prices are reported to the market administrator or to the Department of Agriculture by the companies listed below:

COMPANIES AND LOCATION

Borden Co., Black Creek, Wis.
Borden Co., Greenville, Wis.
Borden Co., Mt. Pleasant, Mich.
Borden Co., New London, Wis.
Borden Co., Orfordville, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Jefferson, Wis.
Carnation Co., Chilton, Wis.
Carnation Co., Oconomowoc, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Sparta, Mich.
Pet Milk Co., Belleville, Wis.
Pet Milk Co., Coopersville, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Wayland, Mich.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

(b) Compute the price per hundredweight by adding together the amounts resulting under subparagraphs (1) and (2) of this paragraph:

(1) From the arithmetical average of the daily wholesale prices per pound (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter for the month, as reported by the Department of Agriculture for the Chicago market, subtract 3.5 cents, add 20 percent, and then multiply the resulting amount by 3.5, and

(2) From the arithmetical average of the weighted averages of the carlot prices per pound of spray and roller process nonfat dry milk solids in barrels for human consumption, f. o. b. Chicago area manufacturing plants, as published for the month by the Department of Agriculture, deduct 4 cents, multiply by 8.2.

§ 974.51 *Class I milk prices.* Subject to the provisions of § 974.54, the respective minimum prices per hundredweight to be paid by each handler for skim milk and butterfat in producer milk received at his fluid milk plant and classified as Class I milk shall be as follows, as computed by the market administrator:

(a) Add to the basic formula price $1.10 in each month, and add or subtract a "supply-demand adjustment" computed as follows:

(1) Compute a "current utilization percentage" by dividing the total gross volume of Class I milk (less interhandler transfers) in the month for which a price is being computed and the first preceding month by the total receipts of producer milk for the same months, multiplying the result by 100, and rounding to the nearest whole number. The total gross volume of Class I milk to be used in this computation should include the volume of any milk which was previously classified as other than Class I milk and was reclassified pursuant to § 974.42 (b) during the above described two month period as Class I milk.

(2) Compute a "net utilization percentage" by subtracting from the current utilization percentage as computed pursuant to subparagraph (1) of this paragraph the appropriate standard utilization percentage shown below:

Month for which a price is being computed:	*Standard utilization percentage*
January	79
February	79
March	76
April	72
May	65
June	59
July	61
August	66
September	71
October	77
November	82
December	81

(3) Determine the amount of the supply-demand adjustment as follows:

If the net utilization percentage is—	Supply demand adjustment for specified month is—		
	Jan., Feb., Mar., Aug., and Sept.	April, May, June and July	Oct., Nov. and Dec.
	Cents	*Cents*	*Cents*
+12 or over	+38	+23	+50
+9 or +10	+28	+19	+38
+6 or +7	+20	+13	+26
+3 or +4	+10	+7	+14
+1 or −1	0	0	0
−3 or −4	−10	−14	−7
−6 or −7	−20	−26	−13
−9 or −10	−28	−38	−19
−12 or −13	−38	−50	−25
−15 or −16	−38	−50	−31
−18 or −19	−38	−50	−37
−21 or −22	−38	−50	−43
−24 or under	−38	−50	−50

When the net utilization percentage does not fall within a tabulated bracket, the supply-demand adjustment shall be determined by the adjacent bracket which is the same or nearest to the bracket used in the previous month. If in the first month this supply-demand adjustment is in effect the net utilization percentage does not fall within a tabulated bracket, the supply-demand adjustment shall be determined by the adjacent bracket which would have been used in determining the supply-demand adjustment had it been in effect in the previous month.

(b) Add together the amounts determined in paragraph (b) (1) and (2) of § 974.50 and divide the sum into the amount determined in subparagraph (1) of such paragraph.

(c) Multiply the price determined in paragraph (a) of this section by the percentage determined in paragraph (b) of this section and then divide by 0.035. The resulting amount shall be the Class I butterfat price per hundredweight.

(d) From the price determined in paragraph (a) of this section subtract the amount determined in paragraph (c) of this section times 0.035 and divide the remainder by 0.965. The resulting amount shall be the Class I skim milk price per hundredweight: *Provided*, That in no event shall the price of skim milk or butterfat in Class I milk be lower, respectively than the skim milk and butterfat price in Class II milk.

§ 974.52 *Class II milk prices.* Subject to the provisions of § 974.54, the respective minimum prices per hundredweight to be paid by each handler for skim milk and butterfat in producer milk received at his fluid milk plant and classified as Class II milk shall be follows, as computed by the market administrator:

(a) Deduct 40 cents from the Class I milk price computed pursuant to § 974.51 (a) for such month.

(b) Multiply the price computed in paragraph (a) of this section by the percentage computed in paragraph (b) of § 974.51 and then divide by 0.035. The resulting amount shall be the Class II butterfat price per hundredweight: *Provided*, That in no event shall the price of butterfat pursuant to this subparagraph be less than the price com-

puted pursuant to paragraph (b) of § 974.53 prior to the proviso therein.

(c) Subtract from the price computed in paragraph (a) of this section the amount computed in paragraph (b) of this section times 0.035 and divide the remainder by 0.965. The resulting amount shall be the Class II skim milk price per hundredweight.

§ 974.53 *Class III milk prices.* The respective minimum prices per hundredweight to be paid by each handler for skim milk and butterfat in producer milk received at his fluid milk plant and classified as Class III milk shall be as follows, as computed by the market administrator:

(a) The price per hundredweight of such skim milk shall be computed as follows: From the arithmetical average of the weighted average of the carlot prices per pound of spray and roller process nonfat dry milk solids in barrels for human consumption, f. o. b. manufacturing plants in the Chicago area, as published for the month by the Department of Agriculture, subtract 5.5 cents, and multiply the result by 8.5.

(b) The price per hundredweight of butterfat shall be computed as follows: Multiply the arithmetical average of the daily wholesale prices per pound of 92-score butter in the Chicago market as reported by the Department of Agriculture during the month by 120: *Provided,* That the price per hundredweight of butterfat made into butter shall be such price per hundredweight less $5.00.

§ 974.54 *Prices of Class I milk and Class II milk disposed of outside the marketing area.* The price to be paid by a handler for Class I milk or Class II milk disposed of outside the marketing area shall be the same as the price applicable within the Columbus, Ohio, marketing area: *Provided,* That Class I milk or Class II milk disposed of in another fluid milk marketing area covered by a Federal milk marketing agreement or order, issued pursuant to the act, shall be the price applicable within the Columbus, Ohio, marketing area, pursuant to this section, or the price applicable for milk of similar use or disposition in the other marketing area, whichever is higher.

DETERMINATION OF UNIFORM PRICE

§ 974.60 *Computation of value of milk for each handler.* Subject to the location adjustment provided in § 974.61, the value of producer milk received by each handler during each month shall be a sum of money computed by the market administrator by multiplying by the respective class prices for skim milk and butterfat, the skim milk and butterfat according to classification pursuant to § 974.45, and adding together the resulting amounts: *Provided,* That if such handler, after subtracting all receipts other than producer milk has disposed of skim milk or butterfat in excess of the skim milk or butterfat received in producer milk, there shall be added a further amount equal to the value of such skim milk or butterfat in the class from which subtracted pursuant to § 974.45 (g): *Provided further,* That if in the verification of the reports or payments of such handler for any previous month, the market administrator discovers errors which result in payments due the producer-settlement fund or the handler, there shall be added, or subtracted, as the case may be, the amount necessary to correct such errors: *Provided further,* That such handler shall be credited at the difference between the applicable class prices for skim milk and butterfat and the Class II prices for skim milk and butterfat, respectively, with respect to milk or skim milk disposed of in bulk fluid form during April, May, June, or July, to a manufacturer of soup, candy, or bakery products for use in such manufacturing operations: *And provided also,* That such handler shall be credited with the difference between the Class II and Class III prices for skim milk received in producer milk in excess of skim milk classified as Class I milk or Class II milk (other than that used to produce condensed skim milk) in any of the months of April, May, June and July which is disposed of in any such month in the form of condensed skim milk to a person whose supply of milk is not produced under permits or specified in § 974.7.

§ 974.61 *Location adjustment to handlers.* With respect to the actual weight of whole milk which is moved directly to the marketing area from a fluid milk plant located more than 40 miles from the Ohio State Capitol, Columbus, by shortest highway distance as determined by the market administrator, there shall be deducted 17 cents per hundredweight in the computation of the value of producer milk received by the handler operating such plant.

§ 974.62 *Notification of handlers.* On or before the 10th day after the end of each month, the market administrator shall notify each handler of (a) the amount and value of his milk in each class as computed pursuant to §§ 974.45 and 974.60, respectively, and the totals of such amounts and values, including any adjustments thereto; (b) the uniform price computed pursuant to § 974.63; (c) the amount due each handler from the producer-settlement fund or the amount to be paid by such handler to the producer-settlement fund, as the case may be; and (d) the total amounts to be paid by such handler pursuant to §§ 974.70, 974.73, 974.77 and 974.78.

§ 974.63 *Computation of uniform price.* For each month, the market administrator shall compute a uniform price per hundredweight for producer milk by:

(a) Combining into one total the values computed pursuant to § 974.60 for all handlers except those who did not make the payments required pursuant to § 974.73 for the previous delivery period;

(b) Adding an amount representing not less than one-half the unobligated balance in the producer-settlement fund;

(c) Adding the aggregate of the values of all allowable location adjustments computed pursuant to § 974.71;

(d) Subtracting, if the weighted average butterfat test of all pooled milk is greater than 3.5 percent or adding, if the weighted average butterfat test of such milk is less than 3.5 percent, an amount computed by multiplying the total pounds of butterfat represented by the difference of such weighted average butterfat test from 3.5 percent by the butterfat differential computed pursuant to § 974.76 times 10.

(e) Deducting for each of the months of April, May, June and July an amount computed by multiplying the hundredweight of milk which was received from producers during each such month and classified as Class I milk and as Class II milk by 35 cents;

(f) Dividing by the hundredweight of producer milk pooled; and

(g) Subtracting not less than 4 cents nor more than 5 cents. The result shall be known as the "uniform price" per hundredweight for producer milk of 3.5 percent butterfat content.

PAYMENTS

§ 974.70 *Time and method of payment.* On or before the 15th day after the end of each month, each handler shall make payment to each producer for milk received during the month at not less than the uniform price per hundredweight, subject to the location adjustment pursuant to § 974.71 and the butterfat differential computed pursuant to § 974.76: *Provided,* That payment may be made to a cooperative association qualified under § 974.79 with respect to milk received from any producer who has given such association authorization by contract or other written instrument to collect the proceeds from the sale of his milk and any payment made pursuant to this proviso shall be made on or before the 10th day after the end of each month: *And provided further,* That if by such date such handler has not received full payment for such month pursuant to § 974.74, he shall not be deemed to be in violation of this section if he reduces uniformly for all producers his payments per hundredweight by a total amount not in excess of the reduction in payment from the market administrator; however, the handler shall make such balance of payment uniformly to those producers to whom it is due on or before the date for making payments pursuant to this paragraph next following that on which such balance of payment is received from the market administrator.

On or before the 15th day after the end of each of the months of October, November and December, each handler who received payment pursuant to § 974.74 (b) (3) for such month shall distribute such amount by paying each producer, from whom milk was received during such month and who had not given any cooperative association authorization by contract or other written instrument to collect the proceeds for the sale of his milk, an amount computed by multiplying the hundredweight of milk received during such month from such producer by the rate per hundredweight for such month computed pursuant to § 974.74 (b) (1).

§ 974.71 *Location adjustment to producers.* In making payments pursuant to § 974.70 a handler may deduct, with respect to producer milk received at a

fluid milk plant located more than 40 miles from the Ohio State Capitol, Columbus, by shortest highway distance as determined by the market administrator not more than 17 cents per hundredweight.

§ 974.72 *Producer-settlement fund.* The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to § 974.73 and out of which he shall make all payments to handlers pursuant to § 974.74: *Provided,* That the market administrator shall offset any such payment due any handler against payments due from such handler.

§ 974.73 *Payments to the producer-settlement fund.* On or before the 12th day after the end of each month, each handler shall pay to the market administrator the amount by which the total value computed for him pursuant to § 974.60 for such month is greater than the sum required to be paid by such handler pursuant to § 974.70.

The amounts deducted pursuant to § 974.63 (e) shall become a part of the producer-settlement fund and shall remain in that fund as an obligated balance until they are dispersed pursuant to § 974.74 (b).

§ 974.74 *Payments out of the producer-settlement fund.* The market administrator shall make payments out of the producer-settlement fund as follows:

(a) On or before the 14th day after the end of each month, each handler shall be paid the amount by which the sum required to be paid producers by such handler pursuant to § 974.70 is greater than the total value computed for him pursuant to § 974.60 for such month: *Provided,* That if the unobligated balance in the producer-settlement fund is insufficient to make all payments pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available.

(b) For each of the months of October, November and December the market administrator shall make the following computations and shall make the payments required in this paragraph on or before the 14th day after the end of each such month:

(1) Divide one-third of the total amount deducted pursuant to § 974.63 (e) for the previous April, May, June and July by the hundredweight of milk received from all producers by all handlers during the month involved (October, November or December) and round to the nearest cent;

(2) Pay to a cooperative association an amount resulting from multiplying the rate per hundredweight for the applicable month computed in subparagraph (1) of this paragraph by the hundredweight of milk received by all handlers during such month from producers who have given such cooperative association authorization by contract or other written instrument to collect the proceeds from the sale of their milk; and

(3) Pay to each handler an amount resulting from multiplying the rate per hundredweight for the applicable month computed in subparagraph (1) of this paragraph by the hundredweight of milk received by such handler during such month from producers who have not given any cooperative association authorization by contract or other written instrument to collect the proceeds from the sale of their milk.

§ 974.75 *Adjustment of errors.* Whenever audit by the market administrator of the payment required to be made by a handler to a producer pursuant to § 974.70 discloses payment of less than is required, the handler shall make up such payment not later than the time for making payments pursuant to § 974.70 next following such disclosure.

§ 974.76 *Butterfat differential.* For each month the market administrator shall compute (to the nearest one-tenth cent) a butterfat differential by subtracting from the weighted average price per hundredweight of all butterfat from producer milk in Class II milk and Class III milk the weighted average price per hundredweight of all skim milk from producer milk in Class II milk and Class III milk and dividing the remainder by 1,000.

§ 974.77 *Expense of administration.* As his pro rata share of the expense incurred pursuant to § 974.22 (c) each handler shall pay the market administrator on or before the 12th day after the end of each delivery period 2 cents per hundredweight, or such lesser amount as the Secretary from time to time may prescribe, with respect to all receipts of skim milk and butterfat (except receipts from other handlers) in:

(a) Producer milk, and

(b) Other source milk at a fluid milk plant.

§ 974.78 *Marketing services.* Except as set forth in § 974.79, each handler for each delivery period shall deduct 5 cents per hundredweight or such amount not to exceed 5 cents as the Secretary may from time to time prescribe, from the payments made to each producer pursuant to § 974.70, and shall pay such deductions to the market administrator on or before the 12th day after the end of such delivery period. Such moneys shall be used by the market administrator to check weights, samples, and tests of producer milk received by handlers and to provide producers with market information, such services to be performed by the market administrator or by an agent engaged by and responsible to him.

§ 974.79 *Cooperative associations.* In the case of producers for whom a cooperative association which, as determined by the Secretary, has its entire activities under the control of its members and meets the standards set forth in the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act," is actually performing as determined by the Secretary, the services set forth in § 974.78, each handler shall make, in lieu of the deductions specified in § 974.78, such deductions from the payments to be made to such producers as may be authorized by the membership agreement or marketing contract between such cooperative association and such producers and, on or before the 12th day after the end of each delivery period, pay over such deductions to the cooperative association rendering such services.

EFFECTIVE TIME, SUSPENSION AND TERMINATION

§ 974.80 *Effective time.* The provisions of this part or any amendment to this part, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated, pursuant to § 974.81.

§ 974.81 *Suspension or termination.* The Secretary may suspend or terminate this part or any provision of this part whenever he finds that this part or any provision of this part obstructs, or does not tend to effectuate the declared policy of the act. This part shall terminate, in any event, whenever the provisions of the act authorizing it cease to be in effect.

§ 974.82 *Continuing power and duty of the market administrator.* If, upon the suspension or termination of any or all provisions of this part, there are any obligations arising under this part, the final accrual or ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: *Provided,* That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

(a) The market administrator, or such other person as the Secretary may designate, shall:

(1) Continue in such capacity until discharged by the Secretary,

(2) From time to time account for all receipts and disbursements, and, when so directed by the Secretary, deliver all funds or property on hand, together with the books and records of the market administrator, or such person to such person as the Secretary may direct, and

(3) If so directed by the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant to this part.

(b) Upon the suspension or termination of any or all provisions of this part the market administrator, or such person as the Secretary may designate shall, if so directed by the Secretary, liquidate the business of the market administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions of this part, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distribut-

ing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 974.90 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

§ 974.91 *Producer-handlers.* Sections 974.50, 974.51, 974.52, 974.53, 974.54, 974.60, 974.61, 974.62, 974.70, 974.71, 974.73, 974.74, 974.75, 974.76, 974.77 and 974.78 shall not apply to a handler who handles only milk from his own farm production or received from other handlers.

§ 974.92 *Separability of provisions.* If any provision of this part, or its application to any person or circumstances, is held invalid, the application of such provision and of the remaining provisions hereof to other persons or circumstances shall not be affected thereby.

§ 974.93 *Termination of obligations.* The provisions of this section shall apply to any obligation under this part for the payment of money irrespective of when such obligation arose, except an obligation involved in an action instituted before August 1, 1949, under section 8c (15) (A) of the act or before a court.

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market adminstrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this order, to make available to the market administrator or his representatives all books and records required by this order to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this order shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or setoff by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c (15) (A) of the act, a petition claiming such money.

Issued at Washington, D. C., this 31st day of March 1952, to be effective on and after the 1st day of April 1952.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 52-3924; Filed, Apr. 4, 1952; 8:48 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

Subchapter A—Civil Air Regulations

PART 18—MAINTENANCE, REPAIR, AND ALTERATION OF AIRFRAMES, POWERPLANTS, PROPELLERS, AND APPLIANCES

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 31st day of March 1952.

Currently effective Part 18 establishes rules for the maintenance, repair, and alteration of certificated aircraft, aircraft engines, propellers; and instruments, and indicates the various operations constituting routine maintenance, repairs, and alterations.

This revision restates and clarifies the standards for the performance of maintenance, preventive maintenance, repair, and alteration of any certificated aircraft or component thereof. It sets forth the classes of persons who are authorized to perform and approve maintenance, preventive maintenance, repair, or alteration, and describes the required records. With certain exceptions, only certificated mechanics, persons operating under the supervision of certificated mechanics, repair stations, and appropriately certificated air carriers are authorized to work on aircraft or aircraft components. One exception is a pilot who will now be authorized to perform preventive maintenance functions on certain personally owned or operated aircraft. The other is a manufacturer who will now be permitted, without obtaining a repair station certificate, to rebuild or alter products for which he holds a type or production certificate or which are manufactured by him in accordance with appropriate specifications approved by the Administrator. In order to perform work on aircraft or aircraft components other than those mentioned, a manufacturer must either hold an appropriate repair station certificate or employ properly rated mechanics for the supervisory and inspection work. In addition, except as permitted for manufacturers, the performance of repair and alterations on instruments and major repairs and alterations on propellers are restricted to appropriately certificated air carriers and to certificated repair stations. An individual mechanic would normally not be equipped to perform such operations, and therefore instrument and major propeller work is restricted to specially rated facilities which must be equipped to perform such work.

It should be noted that Part 18 as revised provides that an aircraft need be flight tested only after it has undergone major repair or major alteration operations. It should be noted also that Part 18 as revised no longer requires that a private pilot shall have at least 200 hours of pilot time before being eligible to conduct a flight test on aircraft after certain repairs or alterations, because this requirement has, in effect, been superseded by the more recently adopted provisions of § 43.21 which contain no such requirement.

Interested persons have been afforded an opportunity to participate in the making of these regulations, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing the Civil Aeronautics Board hereby makes and promulgates a revision of Part 18 of the Civil Air Regulations (14 CFR Part 18, as amended) effective June 15, 1952, to read as follows:

PART 18—MAINTENANCE, REPAIR AND ALTERATION OF AIRFRAMES, POWERPLANTS, PROPELLERS, AND APPLIANCES

APPLICABILITY AND DEFINITIONS

GENERAL

MAINTENANCE, REPAIR, AND ALTERATION RECORDS

PERFORMANCE RULES

AUTHORITY: §§ 18.0 to 18.20 issued under sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interpret or apply sec. 601, 52 Stat. 1007, as amended, sec. 605, 52 Stat. 1010; 49 U. S. C. 551, 554.

APPLICABILITY AND DEFINITIONS

§ 18.0 *Applicability of this part.* This part establishes rules for the performance of maintenance, repair, and alteration of aircraft for which airworthiness

certificates have been issued by the Administrator, or any component thereof.[1]

§ 18.1 *Definitions.* (a) As used in this part terms are defined as follows:

(1) *Aircraft.* An aircraft shall mean any contrivance now known or hereafter invented, used, or designed for navigation of or flight in the air, including airframe, powerplant, propeller, and appliances.

(2) *Aircraft engine.* An aircraft engine shall mean an engine used, or intended to be used, for propulsion of aircraft, and includes all parts, appurtenances, and accessories thereof other than propellers.

(3) *Airframe.* Airframe shall mean any and all kinds of fuselages, booms, nacelles, cowlings, fairings, empennages, airfoil surfaces, and landing gear, and all parts, accessories, or controls, of whatever description, appertaining thereto, but not including powerplants and propellers.

(4) *Alteration.* An alteration shall mean any appreciable change in the design of an airframe, powerplant, propeller, or appliance.

(5) *Appliances.* Appliances shall mean instruments, equipment, apparatus, parts, appurtenances, or accessories, of whatever description, which are used, or are capable of being or intended to be used, in the navigation, operation, or control of aircraft in flight (including communication equipment, electronic devices, and any other mechanism or mechanisms installed in or attached to aircraft during flight, but excluding parachutes), and which are not a part or parts of airframes, powerplants, or propellers.

(6) *Appropriately certificated air carrier.* An appropriately certificated air carrier shall mean an air carrier holding an air carrier operating certificate, and which is required, either by its operating certificate or by operations specifications approved by the Administrator, to provide for a continuous airworthiness maintenance and inspection program to be performed by the carrier in accordance with its maintenance manual.

(7) *Approved.* Approved, when used either alone or as modifying such words as aircraft, airframe, powerplant, propeller, appliance, method, or technique, shall mean approved by the Administrator of Civil Aeronautics in accordance with the applicable requirements of this subchapter.

(8) *Authorized representative of the Administrator.* An authorized representative of the Administrator shall mean any employee of the Civil Aeronautics Administration or any private person, authorized by the Administrator to perform particular duties of the Administrator under the provisions of this part.

(9) *Certificated mechanic.* A certificated mechanic shall mean an individual holding a valid mechanic certificate with appropriate ratings issued by the Administrator.

(10) *Certificated repair station.* A certificated repair station shall mean a facility for the maintenance, repair, and alteration of airframes, powerplants, propellers, or appliances, holding a valid repair station certificate with appropriate ratings issued by the Administrator.

(11) *Certificated repairman.* A certificated repairman shall mean an individual holding a valid repairman certificate issued in accordance with Subpart B of Part 24 of this subchapter.

(12) *Component.* A component shall mean a constituent part of an aircraft.

(13) *Instrument.* An instrument shall mean a device utilizing internal mechanism to indicate visually or aurally the attitude, altitude, performance, or operation of an aircraft or any component thereof, and shall include electronic instrumentation and devices for the automatic control of navigation of the aircraft in flight.

(14) *Maintenance.* Maintenance, which includes preventive maintenance, shall mean the inspection, overhaul, repair, upkeep, and preservation of airframes, powerplants, propellers, and appliances, including the replacement of parts.

(15) *Major alteration.* A major alteration of an aircraft or any component thereof shall mean:

(i) An alteration which might cause an appreciable change in its weight, balance, structural strength, performance, powerplant operation, flight characteristics, or other qualities affecting airworthiness, or

(ii) An alteration which is not accomplished in accordance with accepted practices or cannot be performed by means of elementary operations.

(16) *Major repair.* A major repair to an aircraft or any component thereof shall mean:

(i) A repair which, if improperly accomplished, would adversely affect the structural strength, performance, flight characteristics, powerplant operation, or other qualities affecting airworthiness, or

(ii) A repair which is not accomplished in accordance with accepted practices or cannot be performed by means of elementary operations.

(17) *Manufacturer.* A manufacturer shall mean any person who:

(i) Holds a type or production certificate for and manufactures an aircraft, aircraft engine, propeller, or appliance, or

(ii) Manufactures an approved appliance in accordance with a specification issued by the Administrator.

(18) *Minor alteration.* A minor alteration of an aircraft or any component thereof shall mean an alteration other than a major alteration.

(19) *Minor repair.* A minor repair shall mean any repair other than a major repair.

(20) *Person.* Person shall mean any individual, firm, copartnership, corporation, company, association, joint-stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.

(21) *Powerplant.* Powerplant shall mean an aircraft engine and its component parts, and other parts necessary to properly install such engine in an aircraft, but not the propeller (if used).

(22) *Preventive maintenance.* Preventive maintenance shall mean simple or minor preservation operations and the replacement of small standard parts not involving complex assembly operations.[2]

(23) *Propeller.* Propeller shall mean a device for propelling an aircraft through the air, having blades mounted on a power-driven shaft, which when rotated produces by its action on the air a thrust approximately parallel to the longitudinal axis of the aircraft, and shall also include control components normally supplied by the manufacturer of the propeller. It shall also include a system of rotating airfoils which serve either to counteract the effect of the main rotor torque of a rotorcraft or to maneuver a rotorcraft about one or more of its three principal axes.

(24) *Repair.* Repair shall mean the restoration of an airframe, powerplant, propeller, or appliance to a condition for safe operation after damage or deterioration.

(25) *Type.* Type shall mean all aircraft of the same basic design, including all modifications thereto.

§ 18.10 *Persons authorized to perform maintenance, preventive maintenance, repairs, and alterations.*[3] No person shall perform maintenance, preventive maintenance, repairs, or alterations on civil aircraft of United States registry except as provided as follows:

(a) A certificated mechanic or a person who works under the direct supervision of such mechanic may perform maintenance, repairs, and alterations on aircraft or aircraft components including related appliances, appropriate to his rating, but excluding major repairs and alterations to propellors and all repairs and alterations to instruments.

(b) An appropriately rated repair station may perform maintenance, repairs, and alterations on aircraft or aircraft components, including propellers and appliances, as provided in Part 52 of this subchapter.

(c) A certificated pilot may perform, on aircraft owned or operated by him, except aircraft used in air carrier service, such preventive maintenance as may be authorized by the Administrator.

---

[1] The Administrator publishes Civil Aeronautics Manual 18 which lists operations considered to be maintenance, preventive maintenance, minor and major repairs, and alterations, and sets forth acceptable procedures, methods, and practices under the provisions of this part. This manual may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

[2] The Administrator will publish, as part of Civil Aeronautics Manual 18, the various operations constituting preventive maintenance of the several types of aircraft.

[3] The Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission require that all transmitter adjustments or tests during or coincident with the installation, servicing, or maintenance of a radio station licensed by the Federal Communications Commission which may affect the proper operation of such station shall be made by or under the immediate supervision and responsibility of a person holding a first- or second-class radio operator license issued by the Federal Communications Commission, either radiotelephone or radiotelegraph as may be appropriate for the class of station concerned, who shall be responsible for the proper functioning of the station equipment.

(d) A manufacturer shall be subject to the requirements of paragraphs (a) and (b) of this section, except that he may rebuild or alter:

(1) Any product manufactured by him under a type or production certificate, or

(2) Any product manufactured by him and approved under the terms of a Technical Standard Order or Product and Process Specification issued by the Administrator.

(e) An appropriately certificated air carrier may perform maintenance, repairs, and alterations on aircraft or aircraft components, including propellers and appliances, as provided for in its continuous airworthiness maintenance and inspection program and its maintenance manual.

§ 18.11 *Persons authorized to approve maintenance, repair, and alterations*—(a) *Maintenance, minor repairs, and minor alterations.* No airframe, powerplant, propeller, or appliance which has undergone maintenance, minor repair, or minor alteration may be approved and returned to service except by one of the following:

(1) An appropriately rated certificated mechanic, or

(2) An appropriately rated certificated repair station, or

(3) An appropriately certificated air carrier, or

(4) A manufacturer, if the product has been rebuilt or altered by the manufacturer under the provisions of § 18.10 (d).

(b) *Major repairs and major alterations.* No airframe, powerplant, propeller, or appliance, which has undergone any major repair or major alteration shall be returned to service until such repair or alteration has been examined, inspected, and approved as airworthy by one of the following:

(1) An authorized representative of the Administrator, or

(2) An appropriately rated certificated repair station, if the work has been performed by such repair station in accordance with a manual, specification, or other technical data approved by the Administrator,[4] or

(3) A manufacturer, if the product has been rebuilt or altered by the manufacturer under the provisions of § 18.10 (d) and in accordance with a manual, specification, or other technical data approved by the Administrator,[4] or

(4) An appropriately certificated air carrier, if the work has been performed by such air carrier in accordance with a manual, specification, or other technical data approved by the Administrator.[4]

§ 18.12 *Flight tests.* No aircraft which has undergone any major repair or major alteration shall be operated when carrying passengers or being operated for hire, unless such aircraft has thereafter been test flown by a person holding a pilot certificate of at least private grade with appropriate ratings for such aircraft. The pilot shall make a written notation in the aircraft repair and alteration records to the effect that he has flown such aircraft and has found the flight operation to be satisfactory.[5]

§ 18.13 *Aircraft operating limitations.* When a major repair or major alteration results in any change in the aircraft operating limitations or data contained in the approved airplane flight manual, appropriate amendments to the aircraft operating limitations shall be made in the form and manner approved by the Administrator.

MAINTENANCE, REPAIR, AND ALTERATION RECORDS

§ 18.20 *Required records and entries.* A permanent record of every maintenance (excepting preventive maintenance), repair, rebuilding, or alteration of any airframe, powerplant, propeller, or appliance shall be maintained by the owner (or in the case of an aircraft by the registered owner) in a logbook or other permanent record satisfactory to the Administrator, which shall contain at least the information specified in § 18.21. Entries in such records shall be made or caused to be made by the individual, repair station, air carrier, or manufacturer performing the work.

§ 18.21 *Content of repair and alteration records.* The record of all maintenance, repair, rebuilding, and alteration of any airframe, powerplant, propeller, or appliance or the installation or removal of an appliance shall contain the information set forth in paragraphs (a) through (d) of this section:

(a) An adequate description of the work performed,

(b) The date of completion of the work performed,

(c) The name of the individual, repair station, manufacturer, or air carrier performing the work,

(d) The signature, and if a certificated mechanic or certificated repairman the certificate number, of the person approving as airworthy the work performed and authorizing the return of the aircraft or component to service.

§ 18.22 *Form and disposition of major repair or major alteration records.* All major repairs and major alterations to an airframe, powerplant, propeller, or appliance shall be entered on a form acceptable to the Administrator. Such form shall be executed in duplicate and shall be disposed of in such manner as, from time to time, may be prescribed by the Administrator.

§ 18.23 *Provisions for air carrier records.* Required records and entries may be replaced, in the case of maintenance, repairs, or alterations to appropriately certificated air carrier aircraft, by a suitable system of recording maintenance, repairs, alterations, and signatures of responsible personnel: *Provided*, That the information specified in § 18.21 is furnished.

PERFORMANCE RULES

§ 18.30 *Standard of performance; general.* All maintenance, repairs, and alterations shall be accomplished in accordance with methods, techniques, and practices approved by or acceptable to the Administrator.

(a) *Maintenance and repair.* All maintenance and repair shall be accomplished in such a manner and the materials used shall be of such quality and strength that the condition of the part of the aircraft on which such work has been performed shall, with regard to aerodynamic and mechanical function, structural strength, resistance to vibration and deterioration, and other qualities affecting airworthiness, be at least equivalent to its original or properly altered condition.

(b) *Alterations.* All alterations shall be so designed and accomplished that the altered airframe, powerplant, propeller, or appliance will comply with the airworthiness requirements for the airframe, powerplant, propeller, or appliance.

NOTE: Specific record or reporting requirements subsequently prescribed will be subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN, *Secretary.*

[F. R. Doc. 52-3918; Filed, Apr. 4, 1952; 8:49 a. m.]

PART 24—MECHANIC AND REPAIRMAN CERTIFICATES

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 31st day of March 1952.

Currently effective Part 24 establishes requirements for the certification and rating of aircraft mechanics and aircraft engine mechanics. This revision of Part 24 establishes certain new requirements for the issuance of mechanic certificates and ratings, delineates the privileges of such certificates, and establishes basic operating rules for the holders thereof. It also establishes a new classification of airman to be known as a repairman and provides for certification as such.

Mechanic certificates are to be issued with airframe and powerplant ratings only, and the standards prescribed for their issuance are similar to the current aircraft and engine ratings. Each applicant must take a practical examination appropriate to the rating sought. It is intended that this examination shall be designed to permit an applicant to demonstrate that he possesses a well-rounded, basic understanding of the work which the rating sought authorizes him to perform. All examinations serving to qualify an individual for a mechanic certificate shall be conducted by

[4] Major repairs and major alterations whose design has not previously been approved by the Administrator may require the submittal of technical data and/or flight tests in order to establish compliance with the applicable airworthiness provisions. Examples of such major alterations for which it would be desirable to contact a representative of the Administrator prior to accomplishment of the alteration are given in Civil Aeronautics Manual 18.

[5] The objectives of the flight test and the technical qualifications which should be possessed by the test pilot will be found in Civil Aeronautics Manual 18. (Also see footnote 4 supra, concerning major alteration which may require additional flight testing to determine compliance with the applicable airworthiness requirements.)

a representative of the Administrator to make certain that all applicants meet the same general standards.

Under the terms of this revision the airframe and powerplant mechanic shall have all of the privileges of the present aircraft and aircraft engine mechanic. In addition, an airframe mechanic is privileged to return airframes and their components to service after minor repair or minor alteration; a powerplant mechanic is privileged to return powerplants and propellers and their components to service after minor repair or minor alteration. In order to assure that an applicant who is not a graduate of an approved school is properly qualified to discharge his duties and responsibilities under the terms of his certificate, the experience requirements have been increased from 12 to 18 months for either an airframe or powerplant rating, and these requirements provide that an applicant desiring both ratings must show at least 30 months of concurrent experience. It should be noted that current holders of mechanic certificates are deemed to have met these requirements.

The regulations in this revision also specify the recent experience requirements which must be met by each certificated mechanic before he is considered qualified to exercise the privileges of his certificate and ratings. These requirements recognize the fact that some holders of mechanic certificates exercise the privileges of such certificates in a supervisory manner only, and that recent experience acquired in this manner is considered satisfactory.

A classification of airman to be called a "repairman" has been established in this part. For the performance of work on airframes or engines at a repair station, a properly certificated mechanic is sufficient. However, a repairman is required at a repair station which is authorized to perform work on instruments or to perform major alterations and repairs on propellers. The necessity for this is established by the Civil Aeronautics Act of 1938, as amended, in that an approved rated airman must be in charge of the inspection, maintenance, overhaul, or repair of United States aircraft or their components. An airframe or powerplant mechanic as such is not authorized to perform instrument or major propeller work, unless he is also employed and certificated as a repairman.

A repairman will be employed and certificated for a particular job, and he is not authorized to exercise his privileges except while carrying out his duties as required by that job. As it is considered that in most cases no one below the level of a shop foreman or department head need be certificated, it is anticipated that few repairmen will be required by any one repair station.

Appropriately certificated air carriers, by the terms of the revision of Part 18, are no longer required to obtain a repair station certificate to perform their own maintenance and overhaul. Therefore, in order to assure that such air carriers have properly rated personnel in charge of their instrument and propeller shops, provision has been made for the recommendation and certification of repairmen in the same manner as by repair stations.

A factory mechanic rating has been omitted from this revision of Part 24 since revised Part 18 now permits a manufacturer to rebuild or alter products for which he holds a type or production certificate or which are manufactured by him in accordance with appropriate specifications approved by the Administrator.

Interested persons have been afforded an opportunity to participate in the making of these regulations, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing the Civil Aeronautics Board hereby makes and promulgates a revision of Part 24 of the Civil Air Regulations (14 CFR, Part 24, as amended) effective June 15, 1952, to read as follows:

PART 24—MECHANIC AND REPAIRMAN CERTIFICATES

APPLICABILITY AND DEFINITIONS

AUTHORITY: §§ 24.0 to 24.140 issued under sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interpret or apply sec. 601, 52 Stat. 1007, as amended; secs. 602, 605, 608, 52 Stat. 1008, 1010, 1011; 49 U. S. C. 551, 552, 555, 558.

APPLICABILITY AND DEFINITIONS

§ 24.0 *Applicability of this part.* This part establishes requirements for the issuance of mechanic and repairman certificates and ratings, delineates the privileges of such certificates, and establishes basic operating rules for the holders thereof.

§ 24.1 *Definitions.* (a) As used in this part terms are defined as follows:

(1) *Aircraft.* An aircraft shall mean any contrivance now known or hereafter invented, used, or designed for navigation of or flight in the air, including airframe, powerplant, propeller, and appliances.

(2) *Aircraft engine.* An aircraft engine shall mean an engine used, or intended to be used, for propulsion of aircraft, and includes all parts, appurtenances, and accessories thereof other than propellers.

(3) *Airframe.* Airframe shall mean any and all kinds of fuselages, booms, nacelles, cowlings, fairings, empennages, airfoil surfaces, and landing gear, and all parts, accessories, or controls, of whatever description, appertaining thereto, but not including powerplants and propellers.

(4) *Alteration.* An alteration shall mean any appreciable change in the design of an airframe, powerplant, propeller, or appliance.

(5) *Appliances.* Appliances shall mean instruments, equipment, apparatus, parts, appurtenances, or accessories, of whatever description, which are used, or are capable of being or intended to be used, in the navigation, operation, or control of aircraft in flight (including communication equipment, electronic devices, and any other mechanism or mechanisms installed in or attached to aircraft during flight, but excluding parachutes), and which are not a part or parts of airframes, powerplants, or propellers.

(6) *Appropriately certificated air carrier.* An appropriately certificated air carrier shall mean an air carrier holding an air carrier operating certificate, and which is required, either by its operating certificate or by operations specifications approved by the Administrator, to provide for a continuous airworthiness maintenance and inspection program to be performed by the carrier in accordance with its maintenance manual.

(7) *Approved.* Approved, when used either alone or as modifying such words as aircraft, airframe, powerplant, propeller, appliance, method, or technique, shall mean approved by the Administrator of Civil Aeronautics in accordance with the applicable requirements of this subchapter.

(8) *Authorized representative of the Administrator.* An authorized repre-

sentative of the Administrator shall mean any employee of the Civil Aeronautics Administration or any private person, authorized by the Administrator to perform particular duties of the Administrator under the provisions of this part.

(9) *Certificated mechanic.* A certificated mechanic shall mean an individual holding a valid mechanic certificate with appropriate ratings issued by the Administrator.

(10) *Certificated repair station.* A certificated repair station shall mean a facility for the maintenance, repair, and alteration of airframes, powerplants, propellers, or appliances, holding a valid repair station certificate with appropriate ratings issued by the Administrator.

(11) *Certificated repairman.* A certificated repairman shall mean an individual holding a valid repairman certificate issued in accordance with Subpart B of this part.

(12) *Component.* A component shall mean a constituent part of an aircraft.

(13) *Maintenance.* Maintenance which includes preventive maintenance, shall mean the inspection, overhaul, repair, upkeep, and preservation of airframes, powerplants, propellers, and appliances, including the replacement of parts.

(14) *Major alteration.* A major alteration of an aircraft or any component thereof shall mean:

(i) An alteration which might cause an appreciable change in its weight, balance, structural strength, performance, powerplant operation, flight characteristics, or other qualities affecting airworthiness, or

(ii) An alteration which is not accomplished in accordance with accepted practices or cannot be performed by means of elementary operations.

(15) *Major repair.* A major repair to an aircraft or any component thereof shall mean:

(i) A repair which, if improperly accomplished, would adversely affect the structural strength, performance, flight characteristics, powerplant operation, or other qualities affecting airworthiness, or

(ii) A repair which is not accomplished in accordance with accepted practices or cannot be performed by means of elementary operations.

(16) *Minor alteration.* A minor alteration of an aircraft or any component thereof shall mean an alteration other than a major alteration.

(17) *Minor repair.* A minor repair shall mean any repair other than a major repair.

(18) *Powerplant.* Powerplant shall mean an aircraft engine and its component parts, and other parts necessary to properly install such engine in an aircraft, but not the propeller (if used).

(19) *Preventive maintenance.* Preventive maintenance shall mean simple or minor preservation operations and the replacement of small standard parts not involving complex assembly operations.[1]

[1] The Administrator will publish, as part of Civil Aeronautics Manual 18, the various operations constituting preventive maintenance of the several types of aircraft.

(20) *Propeller.* Propeller shall mean a device for propelling an aircraft through the air, having blades mounted on a power-driven shaft, which when rotated produces by its action on the air a thrust approximately parallel to the longitudinal axis of the aircraft, and shall also include control components normally supplied by the manufacturer of the propeller. It shall also include a system of rotating airfoils which serve either to counteract the effect of the main rotor torque of a rotorcraft or to maneuver a rotorcraft about one or more of its three principal axes.

(21) *Repair.* Repair shall mean the restoration of an airframe, powerplant, propeller, or appliance to a condition for safe operation after damage or deterioration.

Subpart A—Mechanic Certificates

Certification Rules

§ 24.5 *Application for certificate.* Application for certificates and ratings shall be made on a form and in a manner prescribed by the Administrator.

§ 24.6 *Issuance.* (a) Mechanic certificates and ratings shall be issued by the Administrator to applicants who meet the requirements of this part.

(b) Pending a review of an application and supporting documents by the Administrator and the issuance of a mechanic certificate and ratings, an authorized representative of the Administrator may, subject to such terms and conditions as the Administrator may specify, issue a temporary mechanic certificate with appropriate ratings to an applicant, if the representative determines that the applicant has met the requirements of this part.

§ 24.7 *Duration.* (a) A mechanic certificate and ratings shall remain in effect until surrendered, suspended, revoked, or otherwise terminated by order of the Board, except that a certificate issued to an individual other than a United States citizen shall remain in effect for only one year: *Provided,* That upon application to the Administrator and upon showing continued compliance with the other requirements of this part, a mechanic certificate may be reissued to an individual other than a United States citizen for additional periods of one year without further demonstration of technical competence. After revocation, and upon request of the Administrator after suspension or termination, the certificate shall be returned to the Administrator.

(b) A temporary mechanic certificate shall remain in effect for 90 days.

§ 24.8 *Outstanding mechanic certificates and ratings.* After the effective date of this part a person holding a valid mechanic certificate with an aircraft mechanic rating shall be deemed to hold a valid mechanic certificate with an airframe rating, a person holding a valid mechanic certificate with an aircraft engine mechanic rating shall be deemed to hold a valid mechanic certificate with a powerplant rating, and a person holding a valid mechanic certificate with aircraft mechanic and aircraft engine mechanic ratings shall be deemed to hold a valid mechanic certificate with both airframe and powerplant ratings. The Administrator may, in such form and manner as he may establish, require the exchange of outstanding certificates for certificates issued in accordance with the provisions of this part.

§ 24.9 *Display.* When issued to the individual, the mechanic certificate with appropriate ratings shall be kept readily available by the mechanic at all times while exercising the privileges of such certificate, and shall be available for inspection by any authorized representative of the Administrator or the Board, or by any authorized State or local law enforcement officer.

§ 24.10 *Identification.* The holder of a mechanic certificate issued under the provisions of this part shall not, except while engaged in operations conducted by a scheduled air carrier, exercise the privileges conferred by the certificate unless he has in his possession a current airman identification card or other identification card acceptable to the Administrator, which duly describes him. The airman identification card may be obtained from the Administrator who shall prescribe its form and the manner of applying for it.

§ 24.11 *Change of address.* Within 30 days after any change in the permanent mailing address of a holder of a mechanic certificate, the holder shall notify the Administrator in writing of such change. Such notice shall be mailed to the Administrator of Civil Aeronautics, Attention Airman Records Branch, Washington 25, D. C.

General Certificate Requirements

§ 24.15 *Citizenship.* An applicant shall be a citizen of the United States or of a foreign country which grants or has undertaken to grant reciprocal mechanic certificate privileges to citizens of the United States on equal terms and conditions with citizens of such foreign country.

§ 24.16 *Age.* An applicant shall be at least 18 years of age.

§ 24.17 *Education.* An applicant shall be able to read, write, speak, and understand the English language: *Provided,* That if an applicant is employed by a United States air carrier outside of the United States, such applicant shall not be required to meet this requirement, and in that event his certificate shall be appropriately endorsed by the Administrator.

§ 24.18 *Examinations and tests.* Examinations and tests shall be conducted by an authorized representative of the Administrator at such times and places as the Administrator may designate.

§ 24.19 *Re-examination after failure.* An applicant for a mechanic certificate who has failed any prescribed written or practical examination or test may not apply for re-examination within 30 days after the date of such examination or test unless he presents a statement signed by a certificated mechanic holding an appropriate rating, a certificated ground instructor holding an appropriate rating, or an equally qualified individual acceptable to the Administrator,

which attests that the applicant has received an additional 5 hours of instruction in each of the subjects failed and that the applicant is considered competent for re-examination.

§ 24.20 *Application for additional rating.* An applicant for a rating subsequent to the original issuance of a mechanic certificate with appropriate rating shall meet the knowledge, experience, and skill requirements for the rating sought.

§ 24.21 *Substantiation of experience.* An applicant shall submit evidence satisfactory to the Administrator to substantiate the experience qualifications for the mechanic certificate and rating sought.

§ 24.22 *Ratings.* The following mechanic ratings shall be issued:

(a) Airframe;
(b) Powerplant;
(c) Airframe and powerplant.

MECHANICAL KNOWLEDGE, EXPERIENCE, AND SKILL REQUIREMENTS

§ 24.30 *Mechanical knowledge.* An applicant for a mechanic certificate with airframe or powerplant rating shall successfully accomplish a written and oral examination prescribed by the Administrator covering the construction, maintenance, repair, and inspection of aircraft appropriate to the rating sought, the provisions of this part, the applicable provisions of Parts 18 and 43 of this subchapter, and the provisions of Civil Aeronautics Manual 18. The basic principles covering the maintenance, installation, and inspection of propellers shall be included in the powerplant examination.

§ 24.31 *Mechanical experience.* An applicant for a mechanic certificate with either an airframe or powerplant rating shall have had at least 18 months of practical experience with the applicable procedures, practices, materials, tools, machine tools, and equipment generally used in the construction, inspection, maintenance, repair, and alteration of airframes or of powerplants including propellers: *Provided,* That an applicant for an airframe and powerplant rating may be issued such rating, if he has performed concurrently the duties appropriate to both airframe and powerplant ratings for at least 30 months.

§ 24.32 *Graduates of certificated mechanic schools.* A graduate of a certificated mechanic school shall be deemed to have met the experience requirements of this part for a rating if, within 60 days after graduation, he presents an appropriate certificate of graduation: *Provided,* That when a graduate because of unanticpated circumstances is unable to present his certificate within such period, the Administrator, upon receipt of proof to that effect, may extend the 60-day period.

§ 24.33 *Mechanical skill.* An applicant for a mechanic certificate with a particular rating shall, in a manner prescribed by the Administrator, demonstrate his competency to maintain, repair, inspect, and alter any part of an aircraft for which a rating is sought. An applicant's ability to satisfactorily accomplish minor repairs and minor alterations to propellers shall be a part of such demonstration of competency for the powerplant rating.

PRIVILEGES AND LIMITATIONS OF A MECHANIC CERTIFICATE

§ 24.40 *Mechanic privileges; general.* A certificated mechanic may perform or supervise the maintenance, repair, inspection, and alteration of an aircraft, or component thereof, for which he is rated, and may perform additional work in accordance with the privileges and limitations stated in §§ 18.10, 18.11, 24.41, and 24.42 of this subchapter: *Provided,* That he shall not supervise the maintenance, repair, inspection, or alteration of or return to service any part of an aircraft for which he is rated unless he has previously performed the particular operation involved in a satisfactory manner or has otherwise established his competency to perform such operation.

§ 24.41 *Airframe rating.* A certificated mechanic with an airframe rating may release the airframe, or any component thereof, for service after he has performed, supervised, or inspected maintenance, minor repair, or minor alteration thereon.

§ 24.42 *Powerplant rating.* A certificated mechanic with a powerplant rating may perform maintenance, minor repairs, or minor alterations to a propeller, and may release the powerplant or propeller, or any component thereof, for service after he has performed, supervised, or inspected maintenance, minor repair, or minor alteration thereon.

OPERATING RULES

§ 24.50 *General.* A certificated mechanic shall not exercise the privileges of his certificate and rating unless he is familiar with the current manufacturers' instructions and the maintenance manuals pertinent to the particular operation to be performed.

§ 24.51 *Recent experience requirements.* A certificated mechanic shall not exercise the privileges of his certificate and ratings unless, within the preceding 24 months he has either:

(a) Been found competent by an authorized representative of the Administrator, or

(b) For at least 6 months during the preceding 24-month period:

(1) Served as a mechanic under the terms of his certificate and ratings, or

(2) Been engaged in the technical supervision of mechanics, or

(3) Been engaged in the executive supervision of maintenance, repair, or alteration of aircraft, or

(4) Been engaged in any combination of subparagraphs (1), (2), and (3) of this paragraph.

SUBPART B—REPAIRMAN CERTIFICATES

CERTIFICATION RULES

§ 24.100 *Classification.* There is hereby established a classification of airman, known as a "repairman," who (a) possesses special qualifications to perform inspection, maintenance, overhaul, or repair of aircraft, aircraft engines, propellers, or appliances, (b) is employed by a certificated repair station or an appropriately certificated air carrier for a particular job requiring such special qualifications, and (c) is recommended for certification by such employer to the Administrator or his authorized representative.

§ 24.101 *Issuance.* A repairman certificate may be issued by the Administrator or his authorized representative to an individual who is found to meet the requirements of this subpart and who has been recommended for such certification by the certificated repair station or appropriately certificated air carrier by whom he is employed.

§ 24.102 *Duration.* A repairman certificate shall be valid until the termination of the holder's employment by the recommending repair station or air carrier, or relief of the repairman from the particular duties for which he was employed and certificated, whichever shall first occur, unless it is sooner suspended, revoked, or otherwise terminated by the Board, after which it shall be returned to the Administrator.

§ 24.103 *Display.* The repairman certificate shall be kept readily available by the repairman at all times while exercising the privileges of such certificate, and it shall be available for inspection by an authorized representative of the Administrator or the Board, or by any authorized State or local law enforcement officer.

§ 24.104 *Identification.* The holder of a repairman certificate issued under the provisions of this subpart shall not, except while engaged in operations conducted by a scheduled air carrier, exercise the privileges conferred by the certificate unless he has in his possession a current airman identification card or other identification card acceptable to the Administrator, which duly describes him. The airman identification card may be obtained from the Administrator who shall prescribe its form and the manner of applying for it.

§ 24.105 *Change of address.* Within 30 days after any change in the permanent mailing address of a holder of a repairman certificate, the holder shall notify the Administrator in writing of such change. Such notice shall be mailed to the Administrator of Civil Aeronautics, Attention Airman Records Branch, Washington 25, D. C.

GENERAL CERTIFICATE REQUIREMENTS

§ 24.110 *Citizenship.* An applicant shall be a citizen of the United States or of a foreign country which grants or has undertaken to grant reciprocal mechanic certificate privileges to citizens of the United States on equal terms and conditions with citizens of such foreign country.

§ 24.111 *Age.* An applicant shall be at least 18 years of age.

§ 24.112 *Education.* An applicant shall be able to read, write, speak, and understand the English language: *Provided,* That if an applicant is employed outside of the United States by an appropriately certificated United States air carrier or a certificated repair station.

such applicant shall not be required to meet this requirement, and in that event his certificate shall be appropriately endorsed by the Administrator, or the authorized representative of the Administrator who issued the certificate.

EXPERIENCE AND SKILL REQUIREMENTS

§ 24.120 *General.* The repair station or air carrier by whom the applicant is or will be employed shall certify to the satisfaction of the Administrator or his authorized representative that the applicant is competent to perform the duties of inspection, maintenance, overhaul, or repair of the particular aircraft, aircraft engines, propellers, or appliances with respect to which he is to be employed.

§ 24.121 *Minimum experience.* The applicant shall have had at least 18 months of practical experience with the procedures, practices, inspection methods, materials, tools, machine tools, and equipment generally used in the inspection, maintenance, overhaul, or repair functions of the particular job for which he is to be employed and certificated.

PRIVILEGES AND LIMITATIONS OF A REPAIRMAN CERTIFICATE

§ 24.130 *General.* A certificated repairman may supervise or perform the inspection, maintenance, overhauling, or repair of aircraft, aircraft engines, propellers, or appliances in connection with the particular job for which he was employed and certificated. Such privileges may be exercised only in connection with such duties with the certificated repair station or appropriately certificated air carrier by whom he was recommended and employed.

OPERATING RULES

§ 24.140 *General.* A certificated repairman shall not exercise the privileges of his certificate unless he is familiar both with current manufacturers' or appropriate air carriers' instructions and the maintenance manuals pertinent to the particular operation to be performed.

NOTE: Specific record or reporting requirements subsequently prescribed will be subject to the approval of the Bureau of the Budget pursuant to the Federal Reports Act of 1942.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN, *Secretary.*

[F. R. Doc. 52-3919; Filed, Apr. 4, 1952; 8:49 a. m.]

[Regs., Serial No. SR-381]

PART 41—CERTIFICATION AND OPERATION RULES FOR SCHEDULED AIR CARRIER OPERATIONS OUTSIDE THE CONTINENTAL LIMITS OF THE UNITED STATES

FLIGHT TIME LIMITATIONS FOR PILOTS NOT REGULARLY ASSIGNED TO ONE TYPE OF CREW

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 31st day of March 1952.

Special Civil Air Regulation SR-372 which terminates March 31, 1952, established regulations whereby a pilot might serve in more than one type of flight crew without incurring any penalty in terms of maximum permissive flight duty. This regulation was promulgated for an experimental study period of six months with a view toward establishing permanent flight time limitations for such crew assignments.

The Civil Aeronautics Administration has advised the Board that no abuses have been noted in operations under this regulation. However, it has requested that the regulation be extended for an additional period of six months for continued study. The factors initially favoring the adoption of the special regulation are unchanged, and the Board considers that an extension to September 30, 1952, for the purpose of additional study is warranted.

Interested persons have been afforded an opportunity to participate in the making of this regulation, and due consideration has been given to all relevant matter presented. Since it imposes no additional burden on any person, this regulation may be made effective without prior notice.

In consideration of the foregoing, the Civil Aeronautics Board hereby makes and promulgates the following Special Civil Air Regulation effective immediately:

1. Contrary provisions of § 41.57 of the Civil Air Regulations notwithstanding, the following rules shall apply to the monthly and quarterly flight time limitations of pilots assigned in combinations of two-pilot crews, two-pilot and additional flight crew member crews, or three-pilot and additional flight crew member crews.

2. A pilot who is assigned to duty aloft for more than 20 hours in two-pilot crews in a given month, or whose assignment in such crews is interrupted more than once in the month by assignment to a crew consisting of two or more pilots and an additional flight crew member, shall be governed by the provisions of § 41.54.

3. Except for a pilot coming within the provisions of paragraph 2, a pilot who is assigned to duty aloft for more than 20 hours in two-pilot and additional flight crew member crews in a given month, or whose assignment in such crews is interrupted more than once in the month by assignment to a crew consisting of three pilots and an additional flight crew member, shall be governed by the provisions of § 41.55.

4. A pilot to whom the provisions of paragraphs 2 and 3 are not applicable, assigned to duty aloft for a total of 20 hours or less within a given month in two-pilot crews with or without additional flight crew members, shall be governed by the provisions of § 41.56.

5. A pilot assigned to each of two-pilot, two-pilot and additional flight crew member, and three-pilot and additional flight crew member crews in a given month, who is not governed by the provisions of paragraphs 2, 3, or 4, shall be governed by the provisions of § 41.55.

This regulation shall supersede Special Civil Air Regulation Serial No. SR-372 and shall terminate September 30, 1952, unless sooner superseded or rescinded by the Board.

(Sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interprets or applies sec. 601, 52 Stat. 1007, as amended, secs. 602, 604, 52 Stat. 1008, 1010; 49 Stat. U. S. C. 551, 552, 554)

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN, *Secretary.*

[F. R. Doc. 52-3923; Filed, Apr. 4, 1952; 8:50 a. m.]

PART 52—REPAIR STATION CERTIFICATES

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 31st day of March 1952.

Currently effective Part 52 establishes requirements for the issuance of repair station certificates and ratings and basic operating rules for the holders thereof. It is the intent of this revision to improve the standards of repair stations. To accomplish this objective additional repair station ratings are hereby established to take into account the trend toward specialization, so that the stations will be better able to maintain present-day aircraft. The Board believes that repair station ratings issued in accordance with the provisions of this part will reflect more accurately the scope of authority and capabilities of the applicant. It is also the intent in this revision to place a greater degree of responsibility for the operation and performance of repair stations on management as a consequence of the additional privileges granted the certificate holder. For these reasons the Board has provided for a re-examination of all repair stations within one year from the effective date of this part. By that time all repair stations must meet prescribed standards of inspection, quality contol, housing, and performance.

Under the terms of this part the following general ratings may be issued to repair stations: Airframe, powerplant, propeller, radio, instrument, and accessory. Instead of these general ratings a limited rating may be issued authorizing an applicant to work on some particular type of airframe, powerplant, etc., or to perform some specialized maintenance, repair, or overhaul function. Thus, an applicant may, if he so desires, apply only for the rating for which he is able to furnish the required facilities, equipment, materials, and personnel. An applicant for a powerplant rating would not for example, have to be equipped to repair all powerplants, but may choose the make or model with which he desires to work.

All applicants are required to furnish housing, facilities, equipment, materials and personnel adequate to perform competently the work authorized by the particular rating sought. The exact type and amount of such housing, facilities, equipment, materials, and personnel will, in all probability, vary in each instance. This part sets forth the main functions to be performed by a repair station holding a particular rating. It is also designed to provide applicants with an incentive to provide more efficient methods of accomplishing the required functions,

Provision is made for a repair station with an airframe rating to conduct annual inspections and to issue ferry permits. These additional privileges are granted in the belief that after reinspection repair stations with airframe ratings will be qualified to assume this additional responsibility.

It should be noted that the provisions for designation of a certificated repairman have been provided in Subpart B of Part 24. This was done both to have the airman certification rules in the proper part and to provide for recommendation of repairmen either by air carriers who have an approved maintenance program or by repair stations. (See the revision of Part 24 promulgated concurrently herewith.)

Interested persons have been afforded an opportunity to participate in the making of these regulations, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing, the Civil Aeronautics Board hereby makes and promulgates a revision of part 52 of the Civil Air Regulations (14 CFR Part 52, as amended) effective June 15, 1952, to read as follows:

PART 52—REPAIR STATION CERTIFICATES

APPLICABILITY AND DEFINITIONS

GENERAL CERTIFICATION RULES

DOMESTIC CERTIFICATE REQUIREMENTS

DOMESTIC REPAIR STATION OPERATING RULES

FOREIGN REPAIR STATION CERTIFICATE REQUIREMENTS

FOREIGN REPAIR STATION OPERATING RULES

AUTHORITY: §§ 52.0 to 52.61 issued under sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interpret or apply sec. 1, 52 Stat. 977, sec. 601, 52 Stat. 1007, as amended, secs. 602, 605, 607, 610, 52 Stat. 1008, 1010, 1011, 1012; 49 U. S. C. 401, 551, 552, 555, 557, 560.

APPLICABILITY AND DEFINITIONS

§ 52.0 *Applicability of this part.* This part establishes requirements for the issuance of repair station certificates and ratings and operating rules for the holders thereof.

§ 52.1 *Definitions.* (a) As used in this part terms are defined as follows:

(1) *Accessory.* An accessory shall mean an appliance other than an instrument, electronic communication or navigational equipment, or device for the automatic control of aircraft in flight.

(2) *Aircraft.* An aircraft shall mean any contrivance now known or hereafter invented, used, or designed for navigation of or flight in the air, including airframe, powerplant, propeller, and appliances.

(3) *Aircraft engine.* An aircraft engine shall mean an engine used, or intended to be used, for propulsion of aircraft, and includes all parts, appurtenances, and accessories thereof other than propellers.

(4) *Airframe.* Airframe shall mean any and all kinds of fuselages, booms, nacelles, cowlings, fairings, empennages, airfoil surfaces, and landing gear, and all parts, accessories, or controls, of whatever description, appertaining thereto, but not including powerplants and propellers.

(5) *All-metal construction.* All-metal construction, when that phrase is used to describe the composition of an airframe, shall mean that the structure of the airframe is made of metal only, irrespective of the kind of covering utilized.

(6) *Alteration.* An alteration shall mean any appreciable change in the design of an airframe, powerplant, propeller, or appliance.

(7) *Appliances.* Appliances shall mean instruments, equipment, apparatus, parts, appurtenances, or accessories, of whatever description, which are used, or are capable of being or intended to be used, in the navigation, operation, or control of aircraft in flight (including communication equipment, electronic devices, and any other mechanism or mechanisms installed in or attached to aircraft during flight, but excluding parachutes), and which are not a part or parts of airframes, powerplants, or propellers.

(8) *Authorized representative of the Administrator.* An authorized representative of the Administrator shall mean any employee of the Civil Aeronatics Administration or any private person, authorized by the Administrator to perform particular duties of the Administrator under the provisions of this part.

(9) *Certificated mechanic.* A certificated mechanic shall mean an individual holding a valid mechanic certificate with appropriate ratings issued by the Administrator.

(10) *Certificated repair station.* A certificated repair station shall mean a facility for the maintenance, repair, and alteration of airframes, powerplants, propellers, or appliances, holding a valid repair station certificate with appropriate ratings issued by the Administrator.

(11) *Certificated repairman.* A certificated repairman shall mean an individual holding a valid repairman certificate issued in accordance with Subpart B of Part 24 of this subchapter.

(12) *Component.* A component shall mean a constituent part of an aircraft.

(13) *Composite construction.* Composite construction, when that term is used to describe the composition of an airframe, shall mean that the structure of the airframe is made of at least two types of substances, such as metal and wood.

(14) *Electrical.* The term electrical, as applied to appliances, instruments, and accessories, shall mean an appliance, instrument, or accessory whose operation depends upon the flow of an electric current, other than one whose operation depends upon the use of an electron tube or similar device.

(15) *Electronic.* The term electronic, as applied to appliances, instruments, and accessories, shall mean an appliance, instrument, or accessory whose operation depends upon the use of an electron tube or similar device.

(16) *Instrument.* An instrument shall mean a device utilizing internal mechanism to indicate visually or aurally the attitude, altitude, performance, or operation of an aircraft or any component thereof, and shall include electronic instrumentation and devices for the automatic control of navigation of the aircraft in flight.

(17) *Maintenance.* Maintenance, which includes preventive maintenance, shall mean the inspection, overhaul, repair, upkeep, and preservation of airframes, powerplants, propellers, and appliances, including the replacement of parts.

(18) *Major alteration.* A major alteration of an aircraft or any component thereof shall mean:

(i) An alteration which might cause an appreciable change in its weight, balance, structural strength, performance, powerplant operation, flight characteristics, or other qualities affecting airworthiness, or

(ii) An alteration which is not accomplished in accordance with accepted practices or cannot be performed by means of elementary operations.

(19) *Major repair.* A major repair to an aircraft or any component thereof shall mean:

(i) A repair which, if improperly accomplished, would adversely affect the structural strength, performance, flight characteristics, powerplant operation, or other qualities affecting airworthiness, or

(ii) A repair which is not accomplished in accordance with accepted practices or cannot be performed by means of elementary operations.

(20) *Minor alteration.* A minor alteration of an aircraft or any component thereof shall mean an alteration other than a major alteration.

(21) *Minor repair.* A minor repair shall mean any repair other than a major repair.

(22) *Person.* Person shall mean any individual, firm, copartnership, corporation, company, association, joint-stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.

(23) *Powerplant.* Powerplant shall mean an aircraft engine and its component parts, and other parts necessary to properly install such engine in an aircraft, but not the propeller (if used).

(24) *Propeller.* Propeller shall mean a device for propelling an aircraft through the air, having blades mounted on a power-driven shaft, which when rotated produces by its action on the air a thrust approximately parallel to the longitudinal axis of the aircraft, and shall also include control components normally supplied by the manufacturer of the propeller. It shall also include a system of rotating airfoils which serve either to counteract the effect of the main rotor torque of a rotorcraft or to maneuver a rotorcraft about one or more of its three principal axes.

(25) *Radio.* Radio shall mean an appliance and related apparatus for the transmission and/or reception of radio signals, including electronic appliances used for intercommunication.

(26) *Repair.* Repair shall mean the restoration of an airframe, powerplant, propeller, or appliance to a condition for safe operation after damage or deterioration.

(27) *Type.* Type shall mean all aircraft of the same basic design, including all modifications thereto.

GENERAL CERTIFICATION RULES

§ 52.5 *Application for certificate.* Application for a repair station certificate with appropriate ratings, and any modification or amendment thereof, shall be made on a form and in a manner prescribed by the Administrator.

§ 52.6 *Issuance.* A repair station certificate with appropriate ratings prescribing such operations specifications and limitations as may be reasonably required in the interest of safety will be issued to an applicant who the Administrator finds is properly and adequately equipped and competent and able to maintain, repair, or alter airframes, powerplants, propellers, radios, instruments or accessories in accordance with the applicable requirements hereinafter specified. No person shall operate as a certificated repair station without, or in violation of, the terms of a repair station certificate.

§ 52.7 *Duration.* (a) A domestic repair station certificate shall remain in effect until surrendered, suspended, revoked, or otherwise terminated by order of the Board, after which it shall be returned to the Administrator.

(b) A foreign repair station certificate shall expire one year after the date of issuance, unless sooner surrendered, suspended, revoked, or otherwise terminated by order of the Board, after which it shall be returned to the Administrator: *Provided*, That upon a showing of continued compliance with § 52.50 it may be reissued for additional 12-month periods upon application to the Administrator.

§ 52.8 *Exchange of certificates.* The Administrator shall, not later than one year from the effective date of this part, reinspect all repair stations certificated prior to the effective date of this part. Upon the conclusion of each reinspection the existing certificate and ratings of such repair station shall expire, and the certificate shall be returned to the Administrator. New certificates with appropriate ratings may be issued in accordance with the provisions of this part, if such reinspection indicates compliance herewith. Until such reinspection has been completed and a new certificate has been issued, a repair station shall comply with the requirements of this part in effect immediately prior to this revision.

§ 52.9 *Display.* The repair station certificate shall be on display in the repair station for which the certificate was issued and available for inspection by any authorized representative of the Administrator or the Board.

§ 52.10 *Change of facilities.* No change in location or in the housing and facilities required by § 52.21 shall be made by a certificated repair station without the prior written approval of the Administrator.[1]

§ 52.11 *Advertising.* Any advertising conducted by a certificated repair station which indicates that it is a certificated repair station shall clearly indicate the work for which it is rated under its certificate.

§ 52.12 *Inspection.* An authorized representative of the Administrator or the Board shall be permitted at any time to make inspections or examinations to determine a repair station's compliance with the provisions of this subchapter.

§ 52.13 *Nontransferability of certificate.* A repair station certificate is not transferable.

DOMESTIC CERTIFICATE REQUIREMENTS

§ 52.20 *Requirements for issuance of certificate.* No certificate for a repair station to be located within the United States shall be issued until the requirements of §§ 52.21 through 52.25 and §§ 52.30 through 52.36, as appropriate, are met.

§ 52.21 *Housing and facilities.* An applicant shall provide:

(a) Sufficient housing to accommodate the necessary equipment and material, and suitable working space for the performance of the work for which the repair station rating is sought;

(b) Suitable facilities for the proper storage, segregation, and protection of materials, parts, and supplies; and

(c) Suitable facilities for the proper protection of parts and subassemblies during disassembly, cleaning, inspection, repair, alteration, and assembly.

§ 52.22 *Personnel.* (a) Each applicant shall have adequate personnel competent to perform, supervise, and inspect the work for which the repair station is rated.

(b) Any individual who is directly in charge of the inspection, maintenance, overhaul, or repair functions shall have had at least 18 months of practical experience with the procedures, practices, inspection methods, materials, tools, machine tools, and equipment generally used in such functions as are related to the work for which the repair station is rated.

(c) Any individual who is directly in charge of inspection, maintenance, overhaul, or repair functions shall be either an appropriately certificated mechanic or an appropriately certificated repairman.

(d) In addition to the requirements of paragraph (b) of this section, at least one of the individuals performing such functions under a repair station certificate with an airframe rating shall also possess experience in the methods and procedures prescribed by the Administrator for returning aircraft to service after annual inspections, and the issuance of other flight authorizations.

§ 52.23 *Recommendation of certificated repairman.* A certificated repairman shall be recommended in accordance with the provisions of Subpart B of Part 24 of the Civil Air Regulations.

§ 52.24 *Records of supervisory and inspection personnel.* Each repair station shall maintain current records of personnel who are directly in charge of maintenance, repair, inspection, or alteration and shall furnish copies of any personnel changes thereof to the Administrator in a manner and form prescribed by him. These records shall contain such information concerning the qualifications of each such individual as is necessary to show compliance with the experience qualifications of this subchapter. No certificated repair station shall utilize the services of an individual directly in charge of maintenance, repair, inspection, or alteration unless current records are maintained for such individual as required in this section.

§ 52.25 *Inspection system.* An applicant for a repair station certificate shall have an inspection system adequate for satisfactory quality control.

§ 52.26 *Ratings.* The following repair station ratings shall be issued:

(a) Airframe:

(1) Class 1: Composite construction up to and including 12,500 lbs. maximum certificated take-off weight;

(2) Class 2: Composite construction above 12,500 lbs. maximum certificated take-off weight;

(3) Class 3: All-metal construction up to and including 12,500 lbs. maximum certificated take-off weight;

[1] Requests for approval of a change of location, housing, or facilities should be submitted to the Regional Administrator of Civil Aeronautics for the region in which the repair station is located.

(4) Class 4: All-metal construction above 12,500 lbs. maximum certificated take-off weight.
(b) Powerplant:
(1) Class 1: Reciprocating engines up to and including 400 horsepower;
(2) Class 2: Reciprocating engines above 400 horsepower;
(3) Class 3: Turbine engines.
(c) Propeller:
(1) Class 1: Fixed-pitch type;
(2) Class 2: All other types, by make.
(d) Radio: [1]
(1) Class 1: Communication equipment;
(2) Class 2: Navigational equipment;
(3) Class 3: Radar.
(e) Instrument:
(1) Class 1: Mechanical;
(2) Class 2: Electrical;
(3) Class 3: Gyroscopic;
(4) Class 4: Electronic.
(f) Accessory:
(1) Class 1: Mechanical, by type;
(2) Class 2: Electrical, by type;
(3) Class 3: Electronic, by type.

§ 52.27 *Limited ratings.* Ratings may be issued with appropriate limitations, where found appropriate by the Administrator, to a repair station which engages solely in the maintenance, repair, or alteration of a particular type of airframe, powerplant, propeller, radio, instrument, accessory, or the components thereof, or engages in a specialized service with respect to the maintenance, repair, or alteration of an aircraft, or the components thereof.

§ 52.30 *Equipment and materials; general.* An applicant for a repair station certificate shall have such equipment and materials as are necessary for the competent and efficient performance of the functions appropriate to the rating or ratings sought.

§ 52.31 *Equipment and materials; airframe rating.* An applicant for an airframe rating shall be equipped to perform maintenance, repair, inspection, or alteration operations on such of the following as are appropriate to the rating sought.
(a) Steel structural components,
(b) Wood structure,
(c) Alloy skin and structural components,
(d) Fabric covering,
(e) Control systems,
(f) Landing gear systems,
(g) Electric wiring systems,
(h) Assembly operations.

[1] The Communications Act of 1934, as amended, and the rules and regulations of the Federal Communications Commission require that all transmitter adjustments or tests during or coincident with the installation, servicing, or maintenance of a radio station licensed by the Federal Communications Commission which may affect the proper operation of such station shall be made by or under the immediate supervision and responsibility of a person holding a first- or second-class radio operator license issued by the Federal Communications Commission, either radiotelephone or radiotelegraph as may be appropriate for the class of station concerned, who shall be responsible for the proper functioning of the station equipment.

§ 52.32 *Equipment and materials; powerplant rating.* An applicant for a powerplant rating shall be equipped, as appropriate to the rating sought, to:
(a) Maintain, repair, and alter powerplants, including replacement of parts;
(b) Inspect all parts, using appropriate inspection aids;
(c) Accomplish routine machine work;
(d) Perform assembly operations, and
(e) Test overhauled powerplants in compliance with manufacturers' recommendations or shall have made arrangements suitable to the Administrator for the performance of this function in lieu thereof.

§ 52.33 *Equipment and materials; propeller rating.* An applicant for a propeller rating shall be equipped, as appropriate to the rating sought, to:
(a) Maintain, repair, and alter, including installation and the replacement of parts;
(b) Inspect components, using appropriate inspection aids;
(c) Repair or replace components;
(d) Balance, and
(e) Test propeller pitch-changing mechanisms in compliance with manufacturers' recommendations or shall have made arrangements suitable to the Administrator for the performance of this function in lieu thereof.

§ 52.34 *Equipment and materials; radio rating.* An applicant for a radio rating shall be equipped, as appropriate to the rating sought, to:
(a) Diagnose malfunctions;
(b) Maintain, repair, and alter, including installation and the replacement of parts;
(c) Inspect and test;
(d) Make frequency checks, and
(e) Perform such calibrations as are necessary for the proper operation of equipment.

§ 52.35 *Equipment and materials; instrument rating.* An applicant for an instrument rating shall be equipped, as appropriate to the rating sought, to:
(a) Diagnose malfunctions;
(b) Maintain, repair, and alter, including installation and the replacement of parts, and
(c) Inspect, test, and calibrate.

§ 52.36 *Equipment and materials; accessory rating.* An applicant for an accessory rating shall be equipped as appropriate to the rating sought, to:
(a) Diagnose malfunctions,
(b) Maintain, repair, and alter, including the replacement of parts, and
(c) Inspect, test, and, where necessary, calibrate.

§ 52.37 *Equipment and materials; limited ratings.* An applicant for a limited rating under any of the ratings and classes specified in § 52.26, or for such specialized services as are not covered under these ratings, shall have such equipment and material to accomplish the functions appropriate to the rating sought which have been found to be appropriate by the Administrator.

DOMESTIC REPAIR STATION OPERATING RULES

§ 52.40 *Domestic repair station operating rules; general.* All certificated repair stations located in the United States shall comply with the following operating rules.

§ 52.41 *Privileges of certificate.* A certificated repair station shall be authorized:
(a) To perform maintenance, repair, and alteration work on any airframe, powerplant, propeller, instrument, radio, or accessory for which it is rated, and
(b) To approve and return to service such airframe, powerplant, propeller, instrument, radio, or accessory after it has undergone maintenance, minor repair, or minor alteration, and
(c) To approve and return to service such airframe, powerplant, propeller, instrument, radio, or accessory after it has undergone a major repair or major alteration: *Provided*, That such major repair or major alteration has been accomplished in accordance with a manual, specification, or other technical data approved by the Administrator.
(d) To return aircraft to service after annual inspection and issue other flight authorizations in a form and manner approved by the Administrator: *Provided*, That this privilege shall apply only to those certificated repair stations holding airframe ratings.

§ 52.42 *Limitations of certificate.* A certificated repair station shall not perform any inspection, maintenance, repair, or alteration on any airframe, powerplant, propeller, instrument, radio, or accessory for which such station is not rated, or any such work for which rated when such inspection, maintenance, repair, or alteration would require special technical data, equipment, or facilities not available to such station.

§ 52.43 *Maintenance of facilities, equipment, and material.* The holder of a repair station certificate shall maintain all facilities, equipment, and materials in conformity with the standards required for the original issuance of the certificate.

§ 52.44 *Standard of performance.* All maintenance, repair, and alteration work shall be performed in accordance with the standards prescribed in Part 18 of this subchapter.

§ 52.45 *Inspection of work performed.* Each airframe, powerplant, propeller, instrument, radio, and accessory which has undergone any maintenance, repair, or alteration shall, prior to being returned to service, be inspected by a qualified inspector. When the nature of a particular maintenance, repair, or alteration operation so warrants, the inspector shall be a person other than the one who accomplishes the operation. The repair station shall certify on the maintenance, repair, and alteration record for such airframe, powerplant, propeller, instrument, radio, or accessory that it is airworthy.

§ 52.46 *Performance records and reports.* A certificated repair station shall maintain adequate records of all work performed. Such records shall indicate the name of the individual or individuals by whom the work was performed, the name of the individual by whom it was inspected, and the name of the certifi-

cated mechanic or certificated repairman directly in charge thereof, if other than the individual performing the work or inspecting it. Such record shall be retained for at least 2 years.

§ 52.47 *Report of defects or unairworthy conditions.* Unless otherwise prescribed by the Administrator, a certificated repair station shall submit to the Administrator an immediate report of all serious defects in, or other recurring unairworthy conditions of, an airframe, powerplant, propeller, or any component thereof, on a form and in a manner prescribed by the Administrator.

FOREIGN REPAIR STATION CERTIFICATE REQUIREMENTS

§ 52.50 *Requirements for issuance of foreign repair station certificate.* A certificate with appropriate ratings for a repair station located outside of the United States may be issued only where the Administrator finds that such repair station is necessary to provide for the maintenance, repair, or alteration of United States registered aircraft outside of the United States. No person shall be issued such repair station certificate until the requirements for the issuance of a domestic repair station certificate, excepting §§ 52.22 through 52.24, are met.

§ 52.51 *Scope of work authorized.* A foreign repair station certificate shall with respect to the performance of work on United States registered aircraft be limited to those aircraft which are used in operations conducted in whole or in part outside the United States, and it shall contain such operating specifications and limitations as the Administrator may prescribe to insure compliance with applicable aircraft airworthiness requirements of this subchapter.

§ 52.52 *Personnel.* An applicant shall have adequate personnel competent to perform, supervise, and inspect the work for which the repair station is rated. An individual employed by a certificated foreign repair station, and who in such employment performs or supervises inspection, maintenance, overhaul, or repair of aircraft, aircraft engines, propellers, or appliances in connection with aircraft of United States registry, shall not be deemed an airman within the meaning of section 1 (6) of the Civil Aeronautics Act of 1938, as amended, with respect to such work performed in connection with his employment by such foreign repair station.

FOREIGN REPAIR STATION OPERATING RULES

§ 52.60 *General.* A certificated foreign repair station shall comply with the operating rules prescribed for a domestic repair station, excepting §§ 52.46 and 52.47.

§ 52.61 *Required records and reports.* The holder of a foreign repair station certificate shall maintain such records and make such reports with respect to United States registered aircraft as the Administrator finds necesary for the satisfactory administration of this part.

NOTE: The reporting and record-keeping requirements of this part have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN, *Secretary.*

[F. R. Doc. 52-3920; Filed, Apr. 4, 1952; 8:49 a. m.]

PART 53—MECHANIC SCHOOL CERTIFICATES

Adopted by the Civil Aeronautics Board at its office in Washington, D. C. on the 31st day of March, 1953.

Currently effective Part 53 establishes certification and rating requirements for mechanic schools, provides for aircraft, aircraft engine, and combined aircraft and aircraft engine ratings and curricula, and establishes basic operating rules for the holders of mechanic school certificates. This amendment revises these regulations and establishes new requirements for the issuance of mechanic school certificates and ratings and basic operating rules for the holders thereof. Under the terms of this revision the only ratings to be issued are airframe and powerplant which correspond to the previously issued aircraft and aircraft engine ratings, respectively. The requirements for facilities, equipment, material, and personnel are stated as general standards to be met by each applicant. The type and amount of such facilities, equipment, materials, and personnel must be determined by the requirements of the particular rating sought and the maximum number of students expected to be in attendance at any particular time. Compliance with such general standards is the primary responsibility of the applicant.

No provision has been made for the certification or operation of schools for instrument, propeller, radio, or accessory mechanics since the work performed on aircraft other than airframe or powerplant (with the exception of minor repairs and alterations to propellers) is to be performed only by the certificated repair station, the manufacturer, or the appropriately certificated air carrier. It should be noted, however, that the part does not in any way purport to prohibit the establishment of specialized courses or schools for such mechanics or to prevent the graduates of such schools from obtaining employment as certificated repairmen in repair stations or with air carriers. (See revised Parts 24 and 52 adopted concurrently with this part.)

Interested persons have been afforded an opportunity to participate in the making of these regulations, and due consideration has been given to all relevant matter presented.

In consideration of the foregoing the Civil Aeronautics Board hereby makes and promulgates a revision of Part 53 of the Civil Air Regulations (14 CFR, Part 53, as amended) effective June 15, 1952 to read as follows:

PART 53—MECHANIC SCHOOL CERTIFICATES

APPLICABILITY AND DEFINITIONS

AUTHORITY: §§ 53.0 to 53.58 issued under sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interpret or apply sec. 601, 52 Stat. 1007, as amended, secs. 607, 608, 52 Stat. 1011; 49 U. S. C. 551, 557, 558.

APPLICABILITY AND DEFINITIONS

§ 53.0 *Applicability of this part.* This part establishes the requirements for the issuance of mechanic school certificates and ratings and basic operating rules for the holders thereof.

§ 53.1 *Definitions.* (a) As used in this part terms are defined as follows:

(1) *Aircraft.* An aircraft shall mean any contrivance now known or hereafter invented, used, or designed for navigation of or flight in the air, including airframe, powerplant, propeller, and appliances.

(2) *Aircraft engine.* An aircraft engine shall mean an engine used, or intended to be used, for propulsion of aircraft, and includes all parts, appurtenances, and accessories thereof other than propellers.

(3) *Airframe.* Airframe shall mean any and all kinds of fuselages, booms, nacelles, cowlings, fairings, empennages, airfoil surfaces, and landing gear, and all parts, accessories, or controls, of whatever description, appertaining thereto, but not including powerplants and propellers.

(4) *Alteration.* An alteration shall mean any appreciable change in the design of an airframe, powerplant, propeller, or appliance.

(5) *Appliances.* Appliances shall mean instruments, equipment, apparatus, parts, appurtenances, or accessories, of whatever description, which are used, or are capable of being or intended to be used, in the navigation, operation, or

control of aircraft in flight (including communication equipment, electronic devices, and any other mechanism or mechanisms installed in or attached to aircraft during flight, but excluding parachutes), and which are not a part or parts of airframes, powerplants, or propellers.

(6) *Authorized representative of the Administrator.* An authorized representative of the Administrator shall mean any employee of the Civil Aeronautics Administration or any private person, authorized by the Administrator to perform particular duties of the Administrator under the provisions of this part.

(7) *Certificated mechanic.* A certificated mechanic shall mean an individual holding a valid mechanic certificate with appropriate ratings issued by the Administrator.

(8) *Component.* A component shall mean a constituent part of an aircraft.

(9) *Instrument.* An instrument shall mean a device utilizing internal mechanism to indicate visually or aurally the attitude, altitude, performance, or operation of an aircraft or any component thereof, and shall include electronic instrumentation and devices for the automatic control of navigation of the aircraft in flight.

(10) *Maintenance.* Maintenance, which includes preventive maintenance, shall mean the inspection, overhaul, repair, upkeep, and preservation of airframes, powerplants, propellers, and appliances, including the replacement of parts.

(11) *Person.* Person shall mean any individual, firm, copartnership, corporation, company, association, joint-stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.

(12) *Powerplant.* Powerplant shall mean an aircraft engine and its component parts, and other parts necessary to properly install such engine in an aircraft, but not the propeller (if used).

(13) *Propeller.* Propeller shall mean a device for propelling an aircraft through the air, having blades mounted on a power-driven shaft, which when rotated produces by its action on the air a thrust approximately parallel to the longitudinal axis of the aircraft, and shall also include control components normally supplied by the manufacturer of the propeller. It shall also include a system of rotating airfoils which serve either to counteract the effect of the main rotor torque of a rotorcraft or to maneuver a rotorcraft about one or more of its three principal axes.

(14) *Radio.* Radio shall mean an appliance and related apparatus for the transmission and/or reception of radio signals, including electronic appliances used for intercommunication.

(15) *Repair.* Repair shall mean the restoration of an airframe, powerplant, propeller, or appliance to a condition for safe operation after damage or deterioration.

CERTIFICATION RULES

§ 53.5 *Application for certificate.* Application for a mechanic school certificate and ratings, or any modification or amendment thereof, shall be made on a form and in a manner prescribed by the Administrator.

§ 53.6 *Issuance.* A mechanic school certificate with appropriate ratings prescribing such operations, specifications and limitations as may be reasonably required in the interest of safety shall be issued to an applicant who the Administrator finds is properly and adequately equipped, has sufficient qualified personnel, and is able to conduct a mechanic school in accordance with the requirements hereinafter specified. No person may operate as a certificated mechanic school without, or in violation of, the terms of a mechanic school certificate.

§ 53.7 *Duration.* A mechanic school certificate with appropriate ratings shall remain in effect until surrendered, suspended, revoked, or otherwise terminated by order of the Board, after which it shall be returned to the Administrator.

§ 53.8 *Exchange of certificates.* The Administrator shall, not later than one year from the effective date of this part, reinspect all mechanic schools certificated prior to the effective date of this part. Upon the conclusion of each reinspection the existing certificate and ratings of such mechanic school shall expire, and the certificate shall be returned to the Administrator. A new certificate with appropriate ratings may be issued in accordance with the provisions of this part, if such reinspection indicates compliance herewith. Until such reinspection has been completed and a new certificate has been issued, a mechanic school shall comply with the requirements of this part in effect immediately prior to this revision.

§ 53.9 *Display.* The mechanic school certificate with appropriate ratings shall be on display in the mechanic school for which the certificate was issued and available for inspection by any authorized representative of the Administrator or the Board.

§ 53.10 *Change of location.* No change in the location of a certificated mechanic school shall be made without the prior written approval of the Administrator. Any change in location of a mechanic school invalidates the mechanic school certificate, unless the change has been approved by the Administrator.

§ 53.11 *Inspection.* An authorized representative of the Administrator or the Board shall be permitted at any time to make inspections or examinations to determine a mechanic school's compliance with the provisions of this subchapter.

§ 53.12 *Nontransferability of certificate.* A mechanic school certificate is not transferable.

§ 53.13 *Advertising.* No certificated mechanic school shall in any manner make any statement pertaining to such school which is false or is designed to mislead any person contemplating enrollment in such school. Any advertising which indicates that such school is approved by the Administrator shall clearly differentiate between those courses which have been approved by the Administrator and those which have not.

§ 53.14 *Ratings.* The following mechanic school ratings may be issued:

(a) Airframe;

(b) Powerplant;

(c) Airframe and powerplant.

CERTIFICATE REQUIREMENTS

§ 53.20 *Certificate requirements; general.* No applicant for a mechanic school certificate or a rating shall be issued such certificate or rating until the appropriate requirements of §§ 53.21 through 53.42 are met.

§ 53.21 *Number of students.* Each applicant shall state in his application the maximum number of students expected to be instructed at any particular time.

§ 53.22 *Facilities, equipment, and materials; general.* Each applicant shall have at least the facilities, equipment, and materials specified in §§ 53.24 through 53.26 appropriate to the rating sought, and such additional facilities, equipment, and materials as are determined by the Administrator to be necessary for a particular curriculum to train individuals to perform properly the work appropriate to the mechanic rating sought.[1]

§ 53.23 *Modification of facilities, equipment, and materials.* No substantial modification or change in the facilities, equipment, and materials approved by the Administrator for a particular curriculum shall be made without the prior written approval of the Administrator.[2]

§ 53.24 *Required space facilities.* Each applicant shall have such of the following facilities as are appropriate to the rating sought which the Administrator shall determine to be adequate or necessary to accommodate the maximum number of students expected to be instructed at any particular time. Such facilities shall be properly heated, lighted, and ventilated.

(a) A drafting room with drafting tables and equipment,

(b) A stock room set up to insure the proper segregation of materials,

(c) Suitable separate space having proper ventilation and temperature control for doping,

(d) Suitable separate space equipped with adequate cleaning equipment,

(e) Suitable separate space provided with test stands and test clubs for running-in engines,

(f) Suitable separate space provided with adequate equipment to disassemble, repair, assemble, test, service, and inspect the following:

(1) Ignition, electrical equipment, and appliances;

(2) Carburetors and fuel systems;

[1] The Administrator publishes Civil Aeronautics Manual 53 in which is set forth an outline of the equipment, facilities, and materials which are necessary for compliance with this part.

[2] Requests for modifications or changes should be submitted to the Regional Administrator of Civil Aeronautics for the region in which the mechanic school is located.

(3) Hydraulic and vacuum systems as applying to the actuation of aircraft, engines, and their appliances;

(g) Suitable space with adequate equipment for the disassembly, inspection, assembly, and rigging of an aircraft;

(h) Suitable space with adequate equipment for the disassembly, inspection, overhaul, assembly, and timing of engines.

§ 53.25 *Required instructional equipment.* Each applicant shall have such of the following instructional equipment as is appropriate to the rating sought which need not be in an airworthy condition and which may have been damaged, but it shall have been repaired sufficiently for complete assembly. All airframes, powerplants, propellers, appliances, and components thereof on which instruction is to be given and on which practical experience is to be obtained shall be sufficiently diversified to indicate the different manners of construction, assembly, inspection, and operation when installed in an aircraft for use, and shall be provided in sufficient number to assure that not more than eight students shall work on any single unit thereof at any one time.

(a) Various types of fuselages, wings (wing sections if of aircraft of more than 12,500 lbs. maximum certificated takeoff weight), control surfaces, landing gear, radios, instruments, propellers (including propellers of fixed type, wood and metal, and adjustable and controllable metal), and aircraft reciprocating engines (including at least one opposed type, one in-line type, one radial type of not less than 350 horsepower, and one supercharged type).

(b) At least one modern-type aircraft complete with powerplant, propeller, instruments, radio (two-way), landing lights, flares, and other items of equipment and accessories on which a mechanic might be required to work and with which he should be familiar.

§ 53.26 *Required materials, tools, and shop equipment.* Each applicant shall have an adequate supply of materials and tools and such of the following shop equipment, special tools, and other miscellaneous tools and equipment as are appropriate to the rating sought and used in the construction, maintenance, and repair of aircraft to insure that each student will receive proper instruction in the construction, maintenance, and repair of aircraft. All tools and shop equipment shall be in satisfactory working condition and shall be of a type proper for the purpose for which they are to be used:

(a) Suitable equipment for checking the alignment of crankshafts and master and connecting rods;

(b) Air riveting hammer with controls and indicator;

(c) Heat-treating equipment for rivets and small structural parts;

(d) Bending and forming tools and equipment;

(e) Suitable equipment for sand, seed, or hull blasting;

(f) Cable splicing equipment;

(g) Suitable equipment for localized etching of propellers;

(h) Suitable equipment for measuring propeller pitch angles,

(i) Suitable assortment of go and no-go gauges;

(j) Suitable equipment for steaming and bending aircraft wood;

(k) Suitable equipment for making and testing glued wood joints;

(l) Air compressor with suitable attachments, and

(m) Battery charger and testers.

§ 53.27 *Curriculum; general.* An applicant shall offer a curriculum designed to qualify the individuals undergoing instruction to perform the duties of a mechanic for a particular rating or ratings. Each curriculum shall provide at least the number of hours of instruction specified in § 53.28 and shall include instruction in the subjects specified in §§ 53.40 and 53.41. Each curriculum shall be approved by the Administrator, and no change therein shall be made without his prior written approval.

§ 53.28 *Curriculum; number of hours.* At least the following number of hours of instruction shall be offered for each of the following curricula:

(a) Airframe; 960 hours.

(b) Powerplant; 960 hours.

(c) Combined airframe and powerplant; 1,650 hours.

§ 53.40 *Airframe curriculum.* The airframe curriculum shall include the following subjects:

(a) Parts 1, 3, 4a, 4b, 5, 6, 8, 9, 18, 24, 43, 52, and 62 of this subchapter, as amended, appropriate to the curriculum;

(b) Tools, instruments, equipment, their use and care;

(c) Shop practice and procedures, use of forms;

(d) Woodworking;

(e) Welding steel structures and fittings;

(f) Aluminum alloy structures and fittings;

(g) Sheet metal, steel, stainless steel, terneplate, aluminum and aluminum alloy;

(h) Welding, riveting, and heat-treating of steel, stainless steel, aluminum, aluminum alloy, structure, stock, and fittings;

(i) Controls and control surfaces;

(j) Splicing cables, bonding, brazing, and soldering;

(k) Hydraulic systems;

(l) Vacuum systems;

(m) Electrical systems;

(n) Fuel systems;

(o) Covering, fabric and stressed skin;

(p) Landing gear assembly;

(q) Assembly and rigging;

(r) Appliances: Instruments, radio, floats, flares, heaters, etc.;

(s) Inspection of certificated aircraft, use of forms, etc.;

(t) Aircraft theory and practice;

(u) Mechanical drawing, and

(v) Aircraft weight and balance.

§ 53.41 *Powerplant curriculum.* The powerplant curriculum shall include the following subjects:

(a) Parts 1, 3, 4a, 4b, 6, 8, 9, 13, 14, 18, 24, 43, 52, and 62, of this subchapter, as amended, appropriate to the curriculum;

(b) Instruments and equipment, their use and care;

(c) Shop practice and procedures, use of forms;

(d) Fundamental powerplant requirements;

(e) Mechanical drawing;

(f) Powerplant design and construction;

(g) Carburetor and fuel injection systems;

(h) Ignition systems;

(i) Supercharging systems;

(j) Starting, generating, and regulating systems;

(k) Fuels and fuel systems;

(l) Lubrication systems;

(m) Operation and trouble shooting;

(n) Disassembly, overhaul, repair, and assembly;

(o) Inspection, use of inspection tools, theory of magnaflux and fluorescent penetrant;

(p) Block testing;

(q) Propeller installation and maintenance;

(r) Powerplant installation;

(s) Powerplant maintenance;

(t) Turbojet, turboprop, and compound engines;

u) Theory and principles of powerplant operation;

(v) Aircraft powerplant development, and

(w) Aircraft weight and balance.

§ 53.42 *Instructors.* An applicant shall have that number of instructors holding appropriate mechanic certificates and ratings and such other qualified personnel as the Administrator determines necessary to provide adequate instruction and supervision of the students.

OPERATING RULES

§ 53.50 *Operating rules; general.* All holders of mechanic school certificates with appropriate ratings shall, in the conduct of the school, comply with the operating rules set forth in §§ 53.51 through 53.58.

§ 53.51 *Quality of instruction.* The quality of instruction shall be such that at least 80 percent of the students who apply within 60 days after graduation for mechanic certificates and ratings appropriate to the curriculum from which they were graduated will be able to qualify for such certificates and ratings.

§ 53.52 *Hours of attendance.* No student shall be required to attend any class or classes of instruction for more than 8 hours in any day, or more than 6 days or 40 hours in any seven-day period.

§ 53.53 *Examinations.* Upon completion of each subject included in any approved curriculum each student shall be given an appropriate examination.

§ 53.54 *Transcript of grades.* A certificated mechanic school shall furnish a transcript of grades for each graduate and each student leaving the school prior to graduation. The transcript shall be properly authenticated by an official of the school, and it shall state the curriculum and courses in which the student was enrolled, whether the student satisfactorily completed the particular cur-

riculum and courses, and the final grades received in each course.

§ 53.55 *Graduation certificate.* A certificated mechanic school shall furnish each graduate a graduation certificate properly authenticated by an official of the school. Each graduation certificate shall show the date of graduation.

§ 53.56 *Required student records.* A certificated mechanic school shall maintain a current record of each student enrolled, showing the student's attendance, courses in which enrolled, examinations, and grades. These records shall be retained by the school for at least 2 years from the date of termination of enrollment. During such period the records shall be available for inspection by an authorized representative of the Administrator or the Board.

§ 53.57 *Maintenance of facilities, equipment, and material.* The holder of a mechanic school certificate shall maintain all facilities, equipment, and material in conformity with the standards required for the original issuance of the certificate.

§ 53.58 *Reports.* On the 1st day of January and July of each year, and at such other times as the Administrator may require, every holder of a mechanic school certificate shall transmit to the Administrator a correct and completely executed report on the form prescribed and furnished by the Administrator. Such reports shall include the following information as to students enrolled in the course or courses approved by the Administrator:

(a) The names of all students enrolled;

(b) The course or courses for which they are enrolled;

(c) The names of the students who have been graduated within the period covered by the report and the course or courses from which graduated;

(d) The names of all students dropped from enrollment within the period covered by the report and the reasons therefor.

NOTE: The reporting and record-keeping requirements of this part have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 52-3921; Filed, Apr. 4, 1952; 8:50 a. m.]

Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 8]

PART 610—MINIMUM EN ROUTE IFR ALTITUDES

MISCELLANEOUS ALTERATIONS

The minimum en route instrument altitude alterations appearing hereinafter are adopted to become effective when indicated in order to promote safety of the flying public. Compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act would be impracticable and contrary to the public interest, and therefore is not required. Part 610 is amended as follows:

1. Section 610.13 *Geen Civil Airway No. 3* is amended to read in part:

From—	To—	Minimum altitude
Rio (INT), Calif.....	Sacramento, Calif. (LFR) (northeast-bound only).	2,000

2. Section 610.101 *Amber Civil Airway No. 1* is amended to read in part:

From—	To—	Minimum altitude
Famosa, Calif. (FM)....	Fresno, Calif. (LFR) (northwest-bound only).	2,000
Fresno, Calif. (LFR)....	Sacramento, Calif. (LFR).	2,000
Sacramento, Calif. (LFR).	Williams, Calif. (LFR) (southeast-bound only).	2,000

3. Section 610.102 *Amber Civil Airway No. 2* is amended to read in part:

From—	To—	Minimum altitude
Enterprise, Utah (LFR).	Delta, Utah (LFR)...	11,000

4. Section 610.108 *Amber Civil Airway No. 8* is amended to read in part:

From—	To—	Minimum altitude
Travis AFB, Calif. (LFR).	Sacramento, Calif. (LFR).	2,000

5. Section 610.227 *Red Civil Airway No. 27* is amended to read in part:

From—	To—	Minimum altitude
Knoxville, Tenn. (LFR)	Corbin, Ky. (VAR)..	4,700
Corbin, Ky. (VAR)....	Lexington, Ky. (LF/RBN).	3,000
Lexington, Ky. (LF/RBN).	Int. 358° true bearing from Lexington, Ky. (LF/RBN) and E. crs. Louisville, Ky. (LFR).	2,300
Int. 358° true bearing from Lexington, Ky. (LF/RBN) and E. crs. Louisville, Ky. (LFR).	Union, Ky. (INT)....	2,000

6. Section 610.260 *Red Civil Airway No. 60* is amended to read in part:

From—	To—	Minimum altitude
Stockton, Calif. (LFR).	Peters (INT), Calif...	2,000

7. Section 610.274 *Red Civil Airway No. 74* is amended to eliminate:

From—	To—	Minimum altitude
Loveland (INT), Ohio.	Wright-Patterson, Ohio [1].	2,500
Wright-Patterson, Ohio	Springfield, Ohio.....	2,200

[1] 2,500'—Minimum crossing altitude at Wright-Patterson, southwest-bound.

8. Section 610.614 *Blue Civil Airway No. 14* is amended to read in part:

From—	To—	Minimum altitude
Stockton, Calif. (LFR).	Galt (INT), Calif.....	2,000

9. Section 610.621 *Blue Civil Airway No. 21* is amended by adding:

From—	To—	Minimum altitude
Lexington, Ky. (LF/RBN).	Int. W. crs. Huntington, W. Va. (LFR) and E. crs. Louisville, Ky. (LFR).	2,500

10. Section 610.687 *Blue Civil Airway No. 87* is amended by adding:

From—	To—	Minimum altitude
Lexington, Ky. (LF/RBN).	Int. NE. crs. Cincinnati, Ohio (LFR) and S. crs. Wright-Patterson, Ohio (LFR).	2,300
Int. NE. crs. Cincinnati, Ohio (LFR) and S. crs. Wright-Patterson, Ohio (LFR).	Wright-Patterson, Ohio (LFR).	2,300
Wright-Patterson, Ohio (LFR).	Springfield (INT), Ohio.	2,200

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interpret or apply sec. 601, 52 Stat. 1007, as amended; 49 U. S. C. 551)

These rules shall become effective April 8, 1952.

F. B. LEE,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 52-3891; Filed, Apr. 4, 1952; 8:45 a. m.]

[Amdt. 7]

PART 610—MINIMUM EN ROUTE IFR ALTITUDES

MISCELLANEOUS ALTERATIONS

This amendment clarifies the rules which are applicable to IFR operations conducted over mountainous terrain and along particular routes designated by the Administrator. It also redesignates the mountainous terrain uniformly and ex-

cepts the San Joaquin Valley of California therefrom. It does not impose additional burdens upon interested persons. Compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act would be unnecessary and therefore is not required.

Sections 610.1 and 610.2 are designated as Subpart A—Introduction. Section 610.3 is designated as Subpart B—Operation Procedures—Mountainous Terrain and Particular Routes. Section 610.4 is designated as Subpart C—Altitudes—Mountainous Terrain. Subpart D—Altitudes—Particular Routes, shall contain §§ 610.5 to 610.6999.

A new § 610.1 is added and present § 610.1 through § 610.3 are renumbered and revised to read:

§ 610.1 *Basis and purpose.* The basis of this part is sections 205 and 601 of the Civil Aeronautics Act of 1938, as amended, and §§ 41.114 (b), 42.53 (b), 60.17 (d), and 61.261 of this title. The purpose of this part is to prescribe minimum en route IFR altitudes which apply to operations over mountainous terrain and along particular routes or portions thereof designated herein.

§ 610.2 *Explanation of terms.* As used in this part:

(a) "FM" shall mean fan marker.

(b) "IFR" shall mean instrument flight rules.

(c) "INT" shall mean intersection.

(d) "LFR" shall mean low frequency radio range.

(e) "LF/MF" shall mean low frequency-medium frequency.

(f) "RBN" shall mean radio beacon.

(g) "VAR" shall mean visual aural range.

(h) "VHF" shall mean very high frequency.

(i) "VOR" shall mean very high frequency omnirange.

§ 610.3 *Operation procedures over mountainous terrain and along particular routes.* All IFR operations over the mountainous terrain designated in § 610.4 and along the routes or portions thereof designated in Subpart D of this part shall be conducted in accordance with the following procedures: [1]

(a) *Climb.* Climb to a higher IFR altitude minimum shall begin immediately after passing the point beyond which the higher minimum applies except that when the rules in this part indicate that ground obstructions intervene, the point beyond which the higher minimum applies shall be crossed at the minimum crossing altitude specified in this part unless an air traffic clearance authorizes the use of a higher altitude. Points where ground obstructions intervene will be denoted by an asterisk followed by the minimum crossing altitudes specified for the associated fix.

Example:	*Minimum altitude*
Green Civil Airway No. 3:	
Sherman Hill (INT)---	*Cheyenne 10,500'

*8,500'—minimum crossing altitude at Cheyenne, west-bound.

[1] Pilots operating under IFR outside of control areas and control zones must comply with not only the minimum en route altitudes prescribed herein, but also the cruising altitudes prescribed in § 60.44 of this title.

(b) *Descent.* Except when otherwise authorized by Air Traffic Control, descent to IFR altitude minimums shall begin immediately after passing the point beyond which the lower minimums apply. When it is necessary to expedite traffic to a lower en route altitude, Air Traffic Control may authorize the use of altitudes down to the initial approach altitude prescribed for the area in lieu of the minimum IFR altitude prescribed in this part.

(c) *VOR reception altitudes.* At certain locations VOR reception may not be assured under normal operating conditions at the minimum en route IFR altitudes prescribed along a segment of the route. It may be necessary to fly at higher altitudes at certain points in order to be assured of adequate VOR reception. Points where VOR reception is not assured at the minimum en route altitude under normal operating conditions will be denoted by an asterisk preceding the minimum altitude followed by the minimum VOR reception altitude.

Example:
Roswell, N. Mex.—Hobbs, N. Mex.--- *5,500'

§ 610.4 *Minimum en route IFR altitudes over mountainous terrain.* [2] All IFR operations along any route or portion thereof over the terrain described hereinafter shall be conducted at altitudes of at least 2,000 feet above the highest obstacle located within a horizontal distance of five miles from the center of the course intended to be flown: *Provided*, That this section shall not apply to take-offs or landings, or to operations along routes or portions thereof designated in Subpart D of this part for which a different altitude has been prescribed.

(a) *Eastern United States.* All of the following Area excluding those portions specified in the Exceptions:

(1) *Area.*

Beginning at latitude 47°10' N., longitude 67°55' W.; thence west and south along the Canadian border to latitude 45°00' N., longitude 74°15' W.; thence to latitude 44°20' N., longiture 75°30' W.; thence to latitude 43°05' N., longitude 75°30' W.; thence to latitude 42°57' N. longitude 77°30' W.; thence to latitude 42°52' N., longitude 78°42' W.; thence to latitude 42°26' N., longitude 79°13' W.; thence to latitude 42°05' N., longitude 80°00' W.; thence to latitude 40°50' N., longitude 80°00' W.; thence to latitude 40°26' N., longitude 79°54' W.; thence to latitude 38°25' N., longitude 81°46' W.; thence to latitude 36°00' N., longitude 86°00' W.; thence to latitude 33°37' N., longitude 86°45' W.; thence to latitude 32°30' N., longitude 86°25' W.; thence to latitude 33°22' N., longitude 85°00' W.; thence to latitude 36°35' N., longitude 79°20' W.; thence to latitude 40°11' N., longitude 76°24' W.; thence to latitude 41°24' N., longitude 74°30' W.; thence to latitude 41°43' N., longitude 72°40' W.; thence to latitude 42°13' N., longitude 72°44' W.; thence to latitude 42°13' N., longitude 72°44' W.; thence to latitude 43°12' N., longitude 71°30' W.; thence to latitude 43°45' N., longitude 70°30' W.; thence to latitude 45°00' N., longitude 69°30' W.; thence to latitude 47°10' N., longitude 67°55' W., point of beginning.

[2] Sections 42.53 (b) and 61.261 (b) of this title provide that over mountainous terrain designated by the Administrator, the minimum altitudes prescribed in such sections shall apply to air carrier aircraft flown on night VFR, as well as IFR, operations.

(2) *Exceptions.*

The area along (i) Blue Civil Airway No. 4 between Burlington, Vermont, and the United States-Canadian border, (ii) Blue Civil Airway No. 18 between Burlington, Vermont, and Peekskill, New York, and (iii) Green Civil Airway No. 2 between Albany, New York, and Rome, New York.

(b) *Western United States.* All of the following Area excluding that portion specified in the Exception:

(1) *Area.* From the Pacific coastline of the United States, eastward along the Canadian and Mexican borders, to the following coordinates:

Beginning at latitude 49°00' N., longitude 108°00' W.; thence to latitude 46°45' N., longitude 104°00' W.; thence to latitude 44°06' N., longitude 103°15' W.; thence to latitude 43°00' N., longitude 103°15' W.; thence to latitude 41°52' N., longitude 103°39' W.; thence to latitude 35°11' N., longitude 103°39' W.; thence to latitude 33°17' N., longitude 104°27' W.; thence to latitude 32°17' N., longitude 104°14' W.; thence to latitude 29°48' N., longitude 102°00' W.

(2) *Exception.*

Beginning at latitude 35°25' N., longitude 119°09' W.; thence to latitude 35°29' N., longitude 118°58' W.; thence to latitude 36°49' N., longitude 119°37' W.; thence to latitude 38°30' N., longitude 121°24' W.; thence to latitude 39°30' N., longitude 121°32' W.; thence to latitude 40°08' N., longitude 122°08' W.; thence to latitude 40°06' N., longitude 122°20' W.; thence to latitude 39°05' N., longitude 122°12' W.; thence to latitude 38°01' N., longitude 121°51' W.; thence to latitude 37°37' N., longitude 121°12' W.; thence to latitude 37°00' N., longitude 120°58' W.; thence to latitude 36°14' N., longitude 120°11' W., point of beginning.

(c) *Alaskan area.* All of the following Area excluding those portions specified in the Exceptions:

(1) *Area.* The Territory of Alaska.

(2) *Exceptions.*

(i) Beginning at latitude 64°54' N., longitude 147°20' W.; thence to latitude 64°50' N., longitude 151°22' W.; thence to latitude 64°26' N., longitude 151°22' W.; thence to latitude 64°25' N., longitude 147°20' W.; thence to latitude 64°54' N., longitude 147°20' W., point of beginning.

(ii) Beginning at latitude 61°50' N., longitude 151°12' W.; thence to latitude 61°24' N., longitude 150°28' W.; thence to latitude 59°40' N., longitude 152°23' W.; thence to latitude 59°33' N., longitude 151°28' W.; thence to latitude 60°31' N., longitude 150°43' W.; thence to latitude 61°13' N., longitude 149°39' W.; thence to latitude 61°37' N., longitude 149°15' W.; thence to latitude 61°44' N., longitude 149°48' W.; thence to latitude 62°23' N., longitude 149°54' W.; thence to latitude 62°23' N., longitude 150°14' W.; thence to latitude 61°50' N., longitude 151°12' W., point of beginning.

(iii) Beginning at latitude 58°56' N., longitude 156°58' W.; thence to latitude 58°47' N., longitude 156°27' W.; thence to latitude 56°43' N., longitude 158°39' W.; thence to latitude 56°50' N., longitude 159°09' W.; thence along the shore line to latitude 58°56' N., longitude 156°58' W., point of beginning.

(iv) Beginning at latitude 61°47' N., longitude 159°40' W.; thence to latitude 61°34' N., longitude 159°15' W.; thence to latitude 60°32' N., longitude 161°42' W.; thence to latitude 60°45' N., longitude 162°06' W.; thence to latitude 61°47' N., longitude 159°40' W., point of beginning.

(v) All of the Aleutian group.

§ 610.5 *Minimum en route IFR altitudes along particular routes.* Except when necessary for taking off or landing, no person shall operate an aircraft under IFR along the routes or portions thereof designated in subpart D of this part below the altitudes prescribed for such routes.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interpret or apply sec. 601, 52 Stat. 1007, as amended; 49 U. S. C. 551)

These rules shall become effective April 7, 1952.

F. B. LEE,
Acting Administrator of Civil Aeronautics.

[F. R. Doc. 52-3890; Filed, Apr. 4, 1952; 8:45 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 5560]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

CONTAINER MANUFACTURING CO. ET AL.

Subpart—*Using or selling lottery devices:* § 3.2475 *Devices for lottery selling.* Selling or distributing in commerce, push cards, punchboards, or other lottery devices which are to be used or may be used in the sale or distribution of merchandise to the public by means of a game of chance, gift enterprise or lottery scheme; prohibited.

(Sec. 6, 38 Stat. 722; 15 U. S. C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, Container Manufacturing Company et al., Docket 5560, January 29, 1952]

In the Matter of Container Manufacturing Company, a Corporation, and Max Sax, Jack B. Schiff, and William Stone, Individuals and Officers of Container Manufacturing Company

This proceeding was heard by Abner E. Lipscomb, hearing examiner, upon the complaint of the Commission, respondents' answer, and hearings at which testimony and other evidence in support of and in opposition to the allegations of said complaint, duly recorded and filed in the office of the Commission, were introduced before said examiner, theretofore duly designated by the Commission.

Thereafter the proceeding regularly came on for final consideration by said examiner on the complaint, the answer thereto, testimony and other evidence, proposed findings as to the facts and conclusions presented by counsel supporting the complaint, counsel for respondents not having submitted proposed findings and oral argument before said examiner not having been requested, and said examiner, having duly considered the record in the matter, and having found that the proceeding was in the interest of the public, made his initial decision, comprising certain findings as to the facts, conclusion drawn therefrom, and order, including order to cease and desist, and order of dismissal as to respondent Jack B. Schiff.

Thereafter the matter was disposed of by the Commission's "Order denying respondents' appeal from initial decision of the hearing examiner, decision of the Commission and order to file report of compliance", Docket 5560, January 29, 1952, as follows:

This matter came on to be heard upon the appeal of respondents Container Manufacturing Company, Max Sax and William Stone from the hearing examiner's initial decision herein and upon briefs in support of and in opposition to said appeal. The Commission being of the opinion that the hearing examiner correctly dismissed the allegations of the complaint as to respondent Jack B. Schiff, and no appeal having been taken from this ruling, he will not be included in the term "respondents" as used hereinafter.

The grounds relied upon in support of this appeal are (1) the hearing examiner erred in refusing to allow respondents to adduce additional testimony, (2) the Commission did not prove any injury to the public, (3) the Commission is attempting to indirectly police public morals and regulate gambling, and (4) the hearing examiner's findings are not supported by the evidence. Specific exception was taken to Paragraphs One, Four and Five of the findings as to the facts[1] and to the conclusion and order contained in the initial decision.

The record shows that respondent corporation manufactures and sells in interstate commerce punchboards and other lottery devices; that certain of these punchboards are sold with labels attached which provide instructions for use in connection with the distribution of merchandise by gambling; that others are sold in blank, both with and without separate labels containing similar instructions; that certain of these boards are purchased by wholesalers and jobbers who resell them to retailers, both alone and together with assortments of merchandise which the boards are designed and labeled to distribute; and that certain of these retailers in turn sell chances on these boards to the public and distribute the said merchandise to those persons making the winning punches in accordance with the instructions on the punchboards. Max Sax is the president and William Stone is the vice-president of the respondent corporation, both of whom are active in its management and in the direction of its policies.

In their defense respondents called witnesses who testified to the effect that the use of punchboards in the sale of merchandise does not divert trade and that distribution of merchandise by gambling through the use of punchboards does not constitute the sale of merchandise. Respondents requested further hearings at various places throughout the United States for the presentation of evidence of a similar nature and other evidence. The hearing examiner stated that additional evidence of a similar nature to that already presented would be of no value in determining the issues, and requested respondents' counsel to indicate what other line of evidence he proposed to present, so as to enable the hearing examiner to determine whether it would be material to the issues. Upon the refusal of respondents' counsel to indicate what other type of evidence he intended to offer, the hearing examiner denied respondents' request for additional hearings. Respondents now state in their appeal brief that if they had been afforded the opportunity, they would have proven certain additional facts, some of which would have constituted proper evidence.

Upon this record the Commission is of the opinion that the hearing examiner's ruling refusing to set additional hearings was correct. Under the conditions, the hearing examiner's request that he be informed of the line of testimony to be developed at the requested additional hearings was eminently proper to insure a prompt and proper disposition of this matter. Respondents, having refused to indicate to the hearing examiner any proper line of evidence to be presented at the requested hearings, cannot now be heard to say that, if permitted, they would have presented evidence as to specific material facts. Respondents were given an ample opportunity to make an offer of proof by the hearing examiner. By their refusal to do so they have estopped themselves from now urging that such proof was available.

The respondents contend that, assuming their acts were "unfair", the allegations of the complaint have not been sustained, as there is no evidence of injury to the public. This argument is of no merit. The Commission and the courts have clearly held in other cases that the sale in interstate commerce of lottery devices designed and used for the distribution of merchandise by gambling is to the injury of the public and an unfair act and practice in violation of the Federal Trade Commission Act. Proof of further specific injury to the public is unnecessary.

Respondents further contend that by prohibiting the sale in interstate commerce of lottery devices for use in the distribution of merchandise, the Commission is attempting to police public morals and has exceeded its jurisdiction. The Commission has jurisdiction over unfair practices in merchandising in interstate commerce. The courts have repeatedly held that merchandising by gambling in interstate commerce is an unfair practice in violation of the Federal Trade Commission Act, and they have further held that the sale in interstate commerce of devices designed and intended to encourage merchandising by gambling is in violation of that Act. Merchandising by gambling should not be divided into insulated acts, which appear innocent when examined separately. The unfair practice should be viewed as a whole. The record shows that respondents sold in interstate commerce lottery devices which showed on their face that they were intended and designed for use in merchandising by gambling, and the record further shows they were so used by certain of their purchasers. The contention that this practice does not come within the jurisdiction of the Commission is of no merit.

[1] Filed as part of the original document.

Respondents have taken specific exception to the following finding of the hearing examiner as not being supported by the record:

"The use of respondents' sales plan or methods in the sale of merchandise and the sale of merchandise by and through the use thereof, and by the aid of such sales plan or method, is a practice contrary to an established public policy of the Government of the United States and in violation of criminal laws, and constitutes unfair acts and practices in commerce."

The record shows that by the design of certain of respondents' punchboards they encouraged and instructed the purchasers thereof in a method of merchandising by gambling. The Commission takes judicial notice of the many decisions of the Federal courts that merchandising by gambling is contrary to the public policy of the Government of the United States. This finding is thus correct and fully supported by the facts of record.

The Commission is of the opinion that all of the findings as to the facts contained in the initial decision are supported by the substantial probative evidence of record, that the conclusion contained therein is correct and that the order to cease and desist is proper upon this record and is required to provide proper relief from respondents' illegal practice.

The Commission, therefore, being of the opinion that the respondents' appeal is without merit and that the hearing examiner's initial decision is appropriate in all respects to dispose of this proceeding:

It is ordered, That the respondents' appeal from the hearing examiner's initial decision be, and it hereby is, denied.

It is further ordered, That the initial decision of the hearing examiner shall, on the 29th day of January 1952, become the decision of the Commission.

It is further ordered, That respondents Container Manufacturing Company, a corporation, and Max Sax and William Stone, individuals, shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist contained in the said initial decision, a copy of which is attached hereto.

By the Commission, Commissioner Mason concurring in this decision insofar as it relates to the findings as to the facts and conclusion, but not concurring in this decision insofar as it relates to the form of order to cease and desist, for the reasons stated in his opinion concurring in part and dissenting in part in Docket No. 5203, Worthmore Sales Company.

Issued: January 29, 1952.

[SEAL] D. C. DANIEL,
Secretary.

The order in said initial decision, thus made the decision of the Commission, is as follows:

It is ordered, That respondents Container Manufacturing Company, a corporation, and Max Sax and William Stone, individuals and officers of said corporate respondent, Container Manufacturing Company, their representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from: Selling or distributing in commerce, as "commerce" is defined in the Federal Trade Commission Act, push cards, punchboards, or other lottery devices which are to be used or may be used in the sale or distribution of merchandise to the public by means of a game of chance, gift enterprise or lottery scheme.

It is further ordered, That the complaint herein be, and the same hereby is, dismissed as to respondent Jack B. Schiff, as an individual and as an officer of respondent Container Manufacturing Company, a corporation.

[F. R. Doc. 52-3917; Filed, Apr. 4, 1952; 8:48 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter IV—Joint Regulations of the Armed Forces

Subchapter G—Miscellaneous Regulations

PART 443—REGULATIONS FOR CORRESPONDENTS ACCOMPANYING ARMED FORCES OF THE UNITED STATES

CORRESPONDENTS

A new Part 443, Subchapter G, containing §§ 443.1–443.26, is added to Chapter IV. This material is identical to §§ 515.1–515.26 of Chapter V, and is hereby transferred from Chapter V to Chapter IV, as regulations are applicable jointly in Army, Navy, and Air Force.

Sec.

AUTHORITY: §§ 443.1–443.26 issued under R. S. 161; 5 U. S. C. 22.

SOURCE: §§ 443.1–443.26 contained in AR 360-60, OPNAV Instruction 5720.6, AFR 190-9, 7 December 1951.

§ 443.1 *General*—(a) *Purpose.* Sections 443.1 to 443.26 acquaint correspondents with their responsibilities while under the jurisdiction of the Armed Forces in area commands as designated by the Secretary of Defense and serve as a directive to Armed Forces personnel in their relationship with correspondents under jurisdiction of the Armed Forces.

(b) *Policy.* The policy of the Department of Defense is to give the public timely and, so far as it is compatible with national defense, complete information of Army, Navy, Air Force, Marine Corps, and Coast Guard activities and to afford opportunities to correspondents of recognized public information agencies to gather and transmit such news.

§ 443.2 *Definitions.* For the purpose of simplification and understanding, certain terms used herein are defined below:

(a) "Public information agencies" shall mean a press, radio, or pictorial organization regularly engaged in the collection and dissemination of news to the public, including press associations, news and pictorial feature services, newspapers, periodicals, radio and television broadcasting organizations, and newsreel companies.

(b) "Correspondents" shall mean journalists, press reporters, photographers, columnists, editors and publishers, radio and television reporters, commentators and cameramen, and newsreel and other documentary picture production personnel who are duly accredited to the Department of Defense and regularly engaged in the collection and dissemination of news to the public.

(c) "News material" shall mean all news material, whether of information or opinion and whether visual or auditory, for dissemination to the public.

(d) "Press traffic" shall mean news material transmitted in writing or by means of telecommunications (in form customarily employed by news media agencies in transmitting such news material before publication) to newspapers, news periodicals, and broadcasting organizations.

(e) "Official photographs" shall mean those stills made by military photographers or civilian photographers employed by the Department of Defense, as distinguished from photographs made by war correspondent photographers. Unclassified official and unclassified captured photographs will be made available to all interested news photo agencies and media when practicable.

(f) "Official motion pictures" shall be those motion pictures made by military photographers or civilian photographers employed by the Department of Defense, as distinguished from motion pictures made by war correspondent photographers. Unclassified official motion pictures as well as unclassified captured motion pictures will be made available to all interested theater newsreel and television news film companies and other media if practicable.

§ 443.3 *Status and privileges.* All possible assistance within the limits dictated by military necessity will be given correspondents to assist them in performing efficiently and intelligently their work of keeping the public informed of the activities of the Armed Forces of the United States.

(a) Correspondents accompanying the Armed Forces of the United States are subject to the orders of the military commander of the unit to which attached. They are subject to military law in accordance with the Uniform Code of Military Justice, Article 2, (10), (11), and (12). They must wear the prescribed uniform and be prepared to identify themselves when called upon to do so by proper authority. They shall at all times observe the same military security regulations as service personnel, including censorship of personal correspondence.

(b) Correspondents are not, in general, entitled to the benefits provided by law for persons in the Armed Forces.

(c) In the event of capture by enemy forces, correspondents are entitled to treatment as prisoners of war, provided they are in possession of an identity card issued by the Department of Defense establishing their status. (Article 4, Geneva Convention Relative to the Treatment of Prisoners of War, of August 12, 1949.) (§ 443.7 (a) and (b).)

(d) Correspondents will not exercise command, will not be placed in a position of authority over military personnel, nor will they be armed. They will have the same obligations as military personnel in regard to personal conduct, the settlement of accounts, and compliance with standing orders.

(e) A correspondent becomes subject to military law, as indicated above, upon physically entering a theater of operation in an accredited status, or upon boarding Government transportation enroute thereto.

(f) As far as facilities permit, correspondents will be treated as commissioned officers, with the assimilated rank of major or comparable grade, in such matters as messing, living accommodations, and transportation. They will be accorded the same privileges and have the same obligations as officers in the use of post exchanges, ship stores, clothing sales stores, and recreational facilities. Use of such facilities must be without cost to the Government.

(g) Correspondents may converse freely with Armed Forces personnel, unless such conversation interferes with the discharge of military duties. They are expected, however, to refrain from conversing with Armed Forces personnel at work or on guard, or from discussing or soliciting information known to be classified.

§ 443.4 *Application.* Application for the accreditation of any individual correspondent will be submitted by the sponsoring employer to the Office of Public Information, Department of Defense, Washington 25, D. C.

§ 443.5 *Limit on number.* The following considerations shall govern the number of correspondents accredited to any theater of operations:

(a) The number of correspondents accredited to a theater will be within quotas established by the theater commander after coordination with the military department concerned and the Department of Defense. Quotas will be determined by the size of the command and the availability of facilities and logistical support.

(b) When limitation of quotas is necessary, the Department of Defense will give preference in the consideration of application to agencies reaching broad segments of the American public and to selections which maintain a balanced representation of the various informational media.

§ 443.6 *Agreement.* Before final acceptance, a correspondent will be required to sign an agreement in quadruplicate as follows:

OFFICE OF THE SECRETARY OF DEFENSE

OFFICE OF PUBLIC INFORMATION

Washington 25, D. C.

---------- (Date)

AGREEMENT

As a correspondent accredited to and authorized by the Department of Defense to join ---------- for the purpose of (Name of unit) obtaining new material for public dissemination, I subscribe to the following conditions:

1. As a correspondent, I understand that I am subject to military law in accordance with the provisions of Article 2 (10), (11), and (12) of the Uniform Code of Military Justice, and to all regulations for the Government of the Armed Forces.

2. My movements and actions shall be in accordance with the regulations of the Department of Defense and the instructions of the commanding officer of the headquarters to which I am attached.

3. I agree to submit for censorship all news material obtained during the period of this accreditation, whether for release while with the armed forces or thereafter as long as security is a consideration.

4. I agree to comply with all currency control regulations in effect in the places visited under this authorization.

5. I guarantee to meet all financial obligations incurred by me while accompanying the armed forces under this authorization.

6. I waive all claims against the United States for loss or damage to my property or for personal injury, sustained in connection with my activities as a war correspondent, during the period covered by this authorization.

7. This authorization is for the period ---------- to ---------- and subject to revocation at any time, for cause, by the Department of Defense.

Signed ----------

Representing ---------- (Company, syndicate, or agency)

Witnessing officer ---------- (Name)

1 copy—Office of Public Information, Department of Defense.

1 copy—Military Department concerned.

1 copy—Commanding officer, headquarters concerned.

1 copy—Correspondent.

§ 443.7 *Credentials.* The issuance and use of credentials shall be as outlined below:

(a) When an application for accreditation as a correspondent is approved, the applicant will be furnished credentials, including a correspondent's identification card (SD Form 36), by the Office of Public Information, Department of Defense. Possession of this identification card establishes the physical identity of the correspondent, his connection with a recognized public information agency, and the completion of a file check by appropriate Federal security agencies.

(b) The correspondent shall be furnished an identity card by the Department of Defense (DD Form 489), stating that he is an accredited correspondent serving with the Armed Forces of the United States and entitled to treatment as a prisoner of war in accordance with Article 4, Geneva Convention Relative to Prisoners of War, of August 12, 1949. For the purpose of insuring proper treatment in the event of capture, the identity card will provide the assimilated rank of major or comparable grade.

(c) A correspondent's accreditation card does not authorize the bearer to have access to classified military information.

(d) Correspondents will produce identification cards upon request of an officer, warrant officer, or enlisted man in the execution of his duty.

(e) Where conditions warrant, in addition to Department of Defense credentials, major headquarters commanders may issue passes or credentials with regulations governing their use.

§ 443.8 *Termination of accreditation to a theater of operation.* An accredited correspondent may leave a theater of operation at any time upon military orders issued by the commander concerned.

(a) If accompanying the Armed Forces beyond the territorial limits of the United States, and the return journey is made by Government transportation, relief does not become effective until arrival in the United States. If the journey is made by other than Government transportation, relief becomes effective at the time of departure from the theater of operation or base command.

(b) Accreditation as a war correspondent to a theater of operation will be terminated upon:

(1) Severance of employment with the sponsoring agency.

(2) Revocation of accreditation.

(c) Revocation of accreditation is a responsibility solely of the Secretary of Defense. In general, disaccreditation will result from:

(1) Personal misconduct of a criminal or moral nature.

(2) Violation of security regulations.

(3) Membership in, close relationship to, or adherence to subversive organizations.

(d) Upon termination of accreditation, the correspondent will leave the theater of operations or base command upon instructions of the commander concerned. Correspondents whose accreditation has been terminated will surrender their credentials to the theater or base commander before departure for the continental United States, at which time they will be issued temporary credentials covering the return journey. The theater or base commander will forward the expired credentials to the Office of Public Information, Department of Defense.

§ 443.9 *Uniform.* (a) Accredited correspondents accompanying the Armed Forces of the United States in a theater of operation will wear the following officer-type service uniforms:

(1) *Winter.* Jacket and/or shirt and trousers, wool, shade 33; or fatigue clothing; necktie, shade 51, trench coat, shade 79; garrison cap, wool, shade 33.

(2) *Summer.* Cotton khaki shirt, trousers and cotton khaki garrison cap, shade 1; or fatigue clothing; necktie, shade 51.

(b) Correspondents accompanying the Armed Forces of the United States will wear civilian insignia conforming to the following specifications: On a khaki-colored cloth background 2½ inches in height and 3 inches in width, a dark blue equilateral triangle of 1¼ inches, bearing the letters U. S. in khaki color ¼ inch in width and ½ inch in height. The word WAR will appear above the blue triangle and the word CORRESPONDENT below it in dark blue letters ¼ inch in height. This insignia will be worn on the left breast pocket of outer garments or in a comparable position on outer garments having no pockets. It will also be worn on the left front of the garrison cap.

(c) Correspondents may wear military decorations awarded to them as civilians accompanying the Armed Forces. They may also wear decorations or service ribbons awarded them for previous active military service.

(d) Correspondents may not wear military insignia or divisional or unit insignia. Civilians accompanying the Armed Forces are not eligible for the award of service medals.

(e) Articles of special clothing and equipment may be issued to correspondents on memorandum receipt where required.

(f) Accredited correspondents will not wear civilian clothing while accompanying the Armed Forces in a theater of operation. Exceptions may be made for special groups under escort visiting military areas for limited periods.

§ 443.10 *Transportation.* (a) When commercial facilities are inadequate, Government transportation may be furnished to accredited correspondents, for travel to and from the command to which attached, whenever such transportation is available and essential military personnel are not displaced.

(b) Within the theater, or other command of attachment, correspondents may request Government transportation required for the accomplishment of their missions.

(c) The baggage of correspondents normally will be moved with that of the headquarters to which attached. Its weight and content will be within the limits prescribed by the commander concerned.

§ 443.11 *Reporting upon arrival.* Upon arrival at the headquarters to which attached, correspondents will report to the Public Information officer, who will provide the assistance and guidance required for the accomplishment of their missions.

§ 443.12 *Change in assignment.* Changes in assignment will be effected as follows:

(a) Correspondents officially assigned to the headquarters of a senior commander may, at their request, be attached to a subordinate headquarters. Such changes of assignment will be subject to the approval of the commanding officers concerned.

(b) A correspondent's movement to a theater other than that to which currently assigned will be accomplished only with the approval of the commanders concerned and the Department of Defense.

§ 443.13 *Discipline.* Disciplinary action may be taken as follows for violation of §§ 443.1–443.26 or other regulations:

(a) The privileges accorded an accredited correspondent may be suspended for the use of words or expressions in a news dispatch intended to mislead or deceive a censor and cause approval of otherwise objectionable dispatches.

(b) In extreme cases of offense, the correspondent may be placed in arrest to await evacuation or disciplinary action.

(c) Information of the conduct of a correspondent warranting disciplinary action together with that of any action taken or contemplated, will be forwarded through appropriate channels to the Office of Public Information, Department of Defense.

§ 443.14 *Communication with sponsoring agency.* When the behavior or activities of a correspondent are of such nature, commendable or otherwise, as to warrant calling the facts to the attention of the sponsoring agency, commanders will forward all pertinent information to the military department concerned. Recommendations relative to the case will be sent by the department to the Office of Public Information, Department of Defense, for action.

§ 443.15 *Filing of material.* (a) Prior to transmittal, all news material will be submitted for review to the appropriate censorship authority, as directed by the commander of the force to which the correspondent is attached (§ 443.16).

(b) Correspondents will employ only those communications facilities designated by the commander of the force or unit to which attached.

(c) When commercial communications facilities are not available, the use of Armed Forces facilities by correspondents is authorized subject to the following conditions:

(1) Press traffic will not interfere with operational military traffic.

(2) When military necessity requires that priority of transmission of news material be established, procedures (pooling, priorities, word limit restrictions, etc.) will be prescribed by the commander concerned.

(3) Press traffic originating on military facilities will be refiled commercially at the commercial refile point for the area concerned.

(4) Press traffic will be refiled Collect when transferred to a commercial facility.

(5) Press traffic will be prepared and filed in the manner prescribed for the type of communications facility over which it is to be transmitted.

(6) The provisions of section 327, Communication Act of 1934, as amended (48 Stat. 1091; 47 U. S. C. 327) will be applicable to all press traffic and related service messages accepted for transmission via the Naval Communications Service.

§ 443.16 *Censorship.* Censorship in time of war or national emergency is a measure vital to the security of the people of the United States and to the military forces thereof. The following regulations will apply:

(a) All communications, by whatever means, will be subject to established censorship regulations. Material intended for publication may not be sent as personal mail but must be submitted for press censorship.

(b) In general, news material may be released for dissemination to the public provided it does not supply information of value to the enemy.

(c) News material prepared by correspondents after their return to the United States from a theater of operation which contains information that might be of value to the enemy, such as tactical doctrine, classified equipment, future plans, combat efficiency or state of training, etc., will be submitted for review to the Office of Public Information, Department of Defense, prior to publication.

§ 443.17 *Pictorial coverage.* Accredited news cameramen will be afforded every reasonable opportunity to photograph the activities of the Armed Forces but the Armed Forces are not responsible for the quantity or quality of their output. It is recognized that:

(a) Still and motion pictures are essential in keeping the public informed of the war effort and in the official documentation of the war.

(b) News events must be photographed as they occur.

(c) Control should be exercised over the release of photographs rather than the taking of them. Photographers are expected, however, to refrain from taking pictures that violate security or hamper the Armed Forces or their allies in the discharge of military duties.

§ 443.18 *Still picture pools.* Military necessity, such as lack of space, transportation, or other facilities, or diverse and extensive military operations, may require that still picture photographic coverage of the activities of the Armed Forces of the United States be undertaken by recognized still picture photographic agencies in a pool operation. When pooling is required, all pictures taken by any representative of any participating agency will be distributed to all other agencies in the pool.

§ 443.19 *Exclusive still pictures.* At the discretion of the Department of Defense and the military department concerned, a special war correspondent photographer may be accredited to a theater of operation to undertake an exclusive assignment. All pictures secured by a temporarily accredited cameraman, other than those specified in advance, whether taken by himself or secured from another source, are subject to pooling if a pool is in operation.

§ 443.20 *Release dates.* Except under unusual circumstances, the Department of Defense will not establish release dates for still picture pool photographs. All pool photographs will be released simultaneously on a date established by, and agreeable to, the majority of pool members.

§ 443.21 *Still picture censorship, developing and shipping.* All still pictures made in a theater of operation will be subject to current censorship directives. When laboratory facilities are available, photographs and accompanying captions will be censored prior to shipment or radio transmission from the theater. When laboratory facilities are not available, negatives, clearly marked as such, and captions to accompany them will be shipped through such Armed Forces or other channels as are specified by the theater commander concerned to accomplish transmittal to the United States in the shortest possible time. They will be directed to the Office of Public Information, Department of Defense, Washington 25, D. C. Photographs, after being developed and censored, will be delivered by the Department of Defense to the agency employing the photographer who made the picture. This agency will then make prints or copy negatives available to other pool companies if it is a pool photograph. The original negative is the property of the agency whose photographer made it. Negatives and prints not released by the censor wil be held by the Department of Defense until releasable.

§ 443.22 *Copies of stills for Department of Defense.* Three prints of all photographs made by war correspondents in theaters of operations will be turned over free of charge, to the Office of Public Information, Department of Defense, for its archives. The Department of Defense does not have the right to sell, reproduce, or distribute these pictures in any way without permission of the company owing the negative.

§ 443.23 *Theater newsreel or television news film pools.* Military necessity such as lack of space, transportation, or other facilities, or diverse and extensive military operations, may require that motion picture coverage of the activities of the Armed Forces of the United States be undertaken by recognized photographic agencies in a pool operation which will require that all film taken by any representative of any participating agency be distributed to all other agencies in the pool. When pooling is necessary, separate pools will be established for theater newsreel and television news film companies.

§ 443.24 *Exclusive motion pictures.* At the discretion of the Department of Defense and the military department concerned, a special war correspondent motion picture cameraman may be accredited to a theater of operation to undertake an exclusive assignment. All film secured by a temporarily accredited movie cameraman, other than that specified in advance, whether taken by himself or secured from another source, is subject to pooling if a pool is in operation.

§ 443.25 *Motion picture censorship, developing, and shipping.* All motion pictures made in a theater of operation will be subject to current censorship directives. Undeveloped motion picture negatives, clearly marked as such, will be shipped from the theater of operations through Armed Forces channels by fastest practicable means to the Office of Public Information, Department of Defense, Washington 25, D. C. Films will be developed at a laboratory specified by or acceptable to the Department of Defense. The Office of Public Information, Department of Defense, will determine the final release of classified as well as unclassified motion pictures so that there will be no censorship or delay at the source in forwarding the undeveloped negatives or in permitting motion pictures to be taken. After censorship, the negatives will be delivered to the company employing the photographer who made the pictures. This company will then make duplicating prints or negatives available to other pool members when such action is indicated. The original negative is the property of the agency whose photographers made it. Film not released by the censor will be held by the Department of Defense until releasable.

§ 443.26 *Duplicating copy for Department of Defense.* A duplicating print or negative will be furnished the Department of Defense by the theater newsreel or television news film company owning the negative. The Department of Defense does not have the right to sell, reproduce, or distribute these films, in any way without permission of the company owning the negative.

For the Secretary of Defense.

MARSHALL S. CARTER,
Brigadier General, U. S. Army,
Director, Executive Office of the Secretary.

[F. R. Doc. 52-3889; Filed, Apr. 4, 1952; 8:45 a. m.]

Chapter V—Department of the Army

Subchapter A—Aid of Civil Authorities and Public Relations

PART 515—REGULATIONS FOR CORRESPONDENTS, TECHNICAL OBSERVERS AND SERVICE SPECIALISTS ACCOMPANYING U. S. ARMY FORCES IN THE FIELD

CORRESPONDENTS

CROSS REFERENCE: For transfer of §§ 515.1—515.26 to Chapter IV, Part 443, see F. R. Doc 52-3889, *supra*.

Subchapter G—Procurement

PART 591—PROCUREMENT BY FORMAL ADVERTISING

SUBMISSION OF INFORMATION ON EQUAL OR IDENTICAL BIDS

Rescind paragraph (b) of § 591.406-4 and substitute the following in lieu thereof:

§ 591.406-4 *Equal bids.* * * *

(b) *Submission of information on equal or identical bids.* (1) Whenever identical or equal bids are received pursuant to formal advertising by any purchasing office located within the continental United States, its Territories and possessions, and, in the opinion of the Contracting Officer, are indicative of collusive bidding, follow-the-leader pricing, related low bids, division of business, uniform estimating systems, or other practices designed to eliminate competition or to restrain trade, one copy of each of the following documents will be furnished to the Office of the Under Secretary of the Army (Attn: Assistant Judge Advocate General): Invitation for Bids; Abstract of Bids; the bid(s) of the contractor(s) suspected of irregular practices; copies of the notice of award, if any, to any such bidder(s); and any other facts or pertinent information available which might tend to establish possible violation of the antitrust laws.

(2) Reports transmitting the above documents will be in triplicate and will contain a summary of the pertinent facts concerning each case reported.

[Proc. Cir. 9, March 24, 1952] (R. S. 161; 5 U. S. C. 22. Interprets or applies 62 Stat. 21; 41 U. S. C. 151-161)

[SEAL] WM. E. BERGIN,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 52-3888; Filed, Apr. 4, 1952; 8:45 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter II—Economic Stabilization Agency

[General Order 15]

GO 15—POLICY AND PROCEDURE WITH RESPECT TO DISALLOWANCES FOR VIOLATIONS OF TITLE IV OF THE DEFENSE PRODUCTION ACT, AS AMENDED

Sec.
1. Purpose.
2. Authority of the Director of Price Stabilization.
3. Authority of the Wage Stabilization Board, Office of Salary Stabilization, and the Railroad and Airline Wage Board.
4. Disallowance policy.
5. Authority to issue rules, regulations and orders.
6. Transmittal of determination to appropriate governmental agencies.
7. Effect on other orders.
8. Approval of prior actions.

AUTHORITY: Sections 1 to 5 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101-2110, sec. 703, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2153; E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp; E. O. 10281, Aug. 28, 1951, 16 F. R. 8789; 3 CFR 1951 Supp.

SECTION 1. *Purpose.* Pursuant to the Defense Production Act, as amended, and Executive Order 10161, as amended, this order sets forth policy and procedure with respect to disallowances and clarifies the respective functions of the Economic Stabilization Administrator and

the constituent organizations of the Economic Stabilization Agency in determining disallowances under Title IV of the act, as amended.

SEC. 2. *Authority of the Director of Price Stabilization.* (a) The Director of Price Stabilization has authority to determine whether any person has made any payment either in money, or property, or other consideration in violation of the act or of any regulation, order or requirement relating to prices under the act. Where such determination has been made, the Director has authority further to determine the amount of such payment to be disregarded and disallowed for the purposes listed in section 4 (a).

(b) In the case of payments by any person by way of fine for violation of the act, or by way of compromise or satisfaction of any liability, right of action, suit or judgment for violation of a price regulation or order under the act, the Director shall further determine the amount of such payment to be disallowed and disregarded and the purpose or purposes for which it shall be disallowed listed in section 4 (a).

(c) In determining such amount to be disallowed and disregarded, extenuating and mitigating circumstances of the character described in section 4 (b) may be taken into consideration.

SEC. 3. *Authority of the Wage Stabilization Board, Office of Salary Stabilization, and the Railroad and Airline Wage Board.* The Wage Stabilization Board and the Railroad and Airline Wage Board, for employees within their respective jurisdiction, and the Office of Salary Stabilization, for employees whose compensation is under the jurisdiction of the Salary Stabilization Board, have authority to determine whether any wage, salary or other compensation has been paid or accrued in contravention of any regulation or order promulgated under the act, and further to determine the amount of payments or accruals to be disregarded and disallowed for the purposes enumerated in section 4 (a) below. Extenuating and mitigating circumstances of the character described in section 4 (b) may be considered in determining the amount to be disallowed and disregarded.

SEC. 4. *Disallowance policy*—(a) *Purposes of disallowance.* The disallowances under the authority granted by sections 2 and 3 may be made for one or more of the purposes of:

(1) Calculating deductions or the basis for determining gain under the Revenue Laws of the United States;

(2) Determining costs and expenses under any contract made by or on behalf of the United States, either directly or indirectly;

(3) Establishing any maximum price pursuant to the act; and

(4) Determining the costs or expenses of any person for the purpose of any other law or regulation.

(b) *Amounts of disallowance and extenuating circumstances.* (1) The amount to be disallowed and disregarded shall be the entire amount of the wage, salary or other compensation paid or accrued, or the entire amount of the payment, either in money or property, or other consideration, in violation of the act or of any regulation, order or requirement issued under the act; provided however that where extenuating and mitigating circumstances of the character described in the following paragraph are found to exist, less than the entire amount of such payments or accruals may be disregarded and disallowed; provided further that the usual and general policy shall be to disallow and disregard an amount at least equal to that portion of any payment or accrual in excess of whatever payment was permissible under the governing regulation.

(2) Extenuating and mitigating circumstances which may be taken into account include:

(i) Prompt and voluntary disclosure of possible violation;

(ii) Prompt and full cooperation with investigating and other officials;

(iii) Prompt remedying of violation of applicable rules, regulations or orders;

(iv) The adoption of prompt and adequate measures to prevent repetition of any violation of applicable rules, regulations, or orders;

(v) Inadvertent rather than intentional and willful violations;

(vi) Such other factors as may be appropriate in the particular case.

SEC. 5. *Authority to issue rules, regulations and orders.* The Director of Price Stabilization, the Wage Stabilization Board, the Office of Salary Stabilization, and the Railroad and Airline Wage Board, as the case may be, or their respective designees, subject to the supervision and direction of the Economic Stabilization Administrator, may issue such rules, regulations, and orders, consistent with this order, which they deem necessary to carry out the provisions of this authority.

SEC. 6. *Transmittal of determination to appropriate governmental agencies.* The Director of Price Stabilization, the Wage Stabilization Board, the Office of Salary Stabilization, and the Railroad and Airline Wage Board shall certify and forward their final determination in each case to the appropriate governmental agency or agencies. Any such determination shall be conclusive on all Executive Departments and agencies of the Government, and they shall disregard and disallow the amounts thus certified. Any determination made pursuant to this authority under the Defense Production Act, as amended, shall be final and not subject to review by The Tax Court of the United States or by any court in any civil proceeding.

SEC. 7. *Effect on other orders.* Any orders or parts of orders, the provisions of which are inconsistent with the provisions of this order are hereby superseded or amended accordingly.

SEC. 8. *Approval of prior actions.* All action heretofore taken by the constituent organizations or their respective designees under prior rules, regulations, and orders with respect to disallowances is approved.

Effective date. This order shall be effective upon publication in the FEDERAL REGISTER.

Issued: Washington, D. C., April 3, 1952.

ROGER L. PUTNAM,
Administrator.

[F. R. Doc. 52-3964; Filed, Apr. 3, 1952; 1:33 p. m.]

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 38, Amdt. 1]

CPR 38—CEILING PRICES FOR PULPWOOD PRODUCED IN THE NORTHEASTERN STATES

MISCELLANEOUS AMENDMENTS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this Amendment 1 to Ceiling Price Regulation 38 is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment to Ceiling Price Regulation 38, Ceiling Prices for Pulpwood Produced in the Northeastern States, is issued to permit certain established industry practices not initially provided for in CPR 38, and to clarify certain provisions of that regulation. These changes and additions will improve the effectiveness of the regulation but will not, with one minor exception, directly affect the prices consumers may pay for pulpwood.

Section 2 is amended by deleting the phrase "in the Continental limits of the United States", in order to clarify the intent that CPR 38 applies to all pulpwood cut in this area and sold for delivery in the United States regardless of the place where the sale is executed. These modifications are necessary because some sellers of pulpwood produced in close proximity to the Canadian border have construed the language of section 2 to mean that CPR 38 does not apply to sales of such pulpwood for delivery to United States mills if the sale is executed in Canada.

Section 2 is further amended to exempt sales of pulpwood when such sales are made to the consuming mill by its wholly-owned subsidiary. About five paper mills using pulpwood produced in this area have old and established subsidiaries organized for the purpose of procuring pulpwood for the parent mill, acting solely as procurement agents in some instances and in other instances providing some service, such as scaling. In either event the consuming mill meets all expenses and the transfer of wood is more of a bookkeeping transaction rather than an actual sale. This change will permit mills to continue their established accounting and bookkeeping practices; it will have little effect on the costs of wood to consuming mills, and will not give any mill an undue advantage in wood procurement. A similar provision exempting the sale of wood by wholly-owned subsidiaries has been included in Ceiling Price Regulations 107 and 102,

which establish ceiling prices for pulpwood produced in the Lake States and Appalachian States, respectively.

Section 10 (a) (4) is amended to include a provision that when the consumer purchases pulpwood at roadside and wishes to have it trucked to one of the other pricing points in the regulation, the amount he may pay for such trucking may not exceed the appropriate transportation differential provided in the regulation so that the total cost of the wood to the consumer at the point to which it is transported does not exceed the ceiling price established for that point in the regulation.

Subparagraph (5) is added to section 10 (a) to allow the consumer to pay the seller up to $1.50 per cord over the appropriate f. o. b. car price to defray the expenses incurred when the consumer has requested that the pulpwood be piled down at a railroad landing and the seller later loads it onto the railroad cars. This is necessary to meet the needs of several mills which, lacking sufficient storage capacity in their wood yards, are finding it necessary to establish concentration yards or piles of pulpwood adjacent to railroad landings or sidings. The establishment of such concentration points will enable sellers to deliver wood to railheads when cars are not available and assure a steady flow of pulpwood to the mills when the volume of truck deliveries declines in the late Winter and early Spring.

A minor alteration is made in section 10 (b), covering the salvage of timber damaged in the hurricane of November 1950, to make it clear that only the consumer of pulpwood produced from such timber may apply for permission to pay the over-ceiling amount provided for in that paragraph.

Finally, a change is made in subparagraph (1) of section 10 (h), *Logging services*, which further limits the sale and purchase of logging services by directing that the wage rates paid for the performance of such services shall not exceed the legal rates authorized by the Wage Stabilization Board. This provision is necessary to eliminate any possible confusion concerning the effect of this regulation with respect to such legal wage rates.

In formulating these amendments, the Director of Price Stabilization gave due consideration to the national effort to achieve maximum production in furtherance of the objectives of the Defense Production Act of 1950, as amended.

Every effort has been made to conform this amendment to existing business practices, cost practices or methods, or means or aids to distribution. Insofar as any provisions of this amendment may operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, such provisions are found by the Director of Price Stabilization to be necessary to prevent circumvention or evasion of the regulation and this amendment.

In the formulation of this amendment, the Director of Price Stabilization has consulted with industry representatives, including trade association representatives, to the extent practicable, and has given consideration to their recommendations.

AMENDATORY PROVISIONS

Ceiling Price Regulation 38 is amended in the following respects:

1. Section 2 is amended to read as follows:

SEC. 2. *Prohibitions.* On and after May 16, 1951, regardless of any contract, agreement, or other obligation, no person subject to this regulation shall sell or buy in the regular course of business, pulpwood cut from the stump in the States of Maine, Vermont, New Hampshire, Connecticut, Massachusetts and all of the State of New York except the counties of Chautauqua, Cattaraugus, Allegany, Steuben, Chemung, Tioga, Sullivan, Orange, and Rockland at prices in excess of the ceiling prices set forth in section 10 of this regulation; and no person shall agree, offer, solicit, or attempt to do any of the foregoing: *Provided, however,* That for the purposes of this Ceiling Price Regulation 38, a sale to a wholly owned subsidiary of a consumer may be considered as a sale to the consumer and, further, that the ceiling prices established by the General Ceiling Price Regulation and this regulation shall not apply to pulpwood which is sold to a consumer by its wholly-owned subsidiary.

2. Section 10 (a) (4) is amended to read as follows:

(4) When pulpwood is trucked at the buyer's expense between the selling points listed in the table of prices above, there must be deducted from the appropriate ceiling price the actual cost incurred by the buyer in loading and hauling the pulpwood between such points, which deductions in no event may be less than the differential established between the points. In addition, where a consumer purchases pulpwood at roadside and the consumer contracts with any person, including the seller of the pulpwood, to truck it from roadside to any other pricing point set forth in the table of prices above, the amount such consumer may pay for the trucking shall not exceed the transportation differential provided by this regulation so that the total cost of the pulpwood to the consumer at the point to which it was trucked does not exceed the appropriate ceiling price established above.

3. A new subparagraph (5) is added to section 10 (a) to read as follows:

(5) When pulpwood is piled down by the seller at the consumer's request at a railroad landing, or within 1 mile thereof by truck road, and is later loaded on railroad cars at the seller's expense, the appropriate f. o. b. car price in the table of prices above may be increased by an amount not in excess of $1.50 per cord. As used here, railroad landing means any land within 1 mile of a serviceable railroad siding, spur track, passing track or loading track which is accessible by truck road.

4. The second sentence of section 10 (b) is amended by striking it out and inserting in its stead the following: "Such payments for salvage timber may be paid only to a producer and only if application is made by the consumer to the Forest Products Division, Office of Price Stabilization, Washington 25, D. C., in each separate instance for approval to make such payment and prior to such payment."

5. Section 10 (h) (1) is amended to read as follows:

(h) *Logging services.* (1) Any person may sell and any person may buy one or more logging services in connection with pulpwood to be sold under this regulation at prices acceptable to both parties; *Provided, however,* That at the point where the pulpwood is sold to the consumer, the total of all the prices paid for the individual partial operations which comprise the complete operation plus the stumpage shall not exceed the appropriate ceiling prices established under this regulation, and that the wage rates paid for the performance of such services shall not exceed the legal rates authorized by the Wage Stabilization Board.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154).

Effective date. This Amendment 1 to Ceiling Price Regulation 38 is effective April 9, 1952.

ELLIS ARNALL,
Director of Price Stabilization.

APRIL 4, 1952.

[F. R. Doc. 52-4018; Filed, Apr. 4, 1952; 4:00 p. m.]

[Ceiling Price Regulation 69, Revision 1, Amdt. 2]

CPR 69—FOOD PRODUCTS SOLD IN THE TERRITORY OF HAWAII

CEILING PRICES FOR KONA COFFEE

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this Amendment 2 to Ceiling Price Regulation 69, Revision 1, is hereby issued.

STATEMENT OF CONSIDERATIONS

Kona coffee. This amendment to Ceiling Price Regulation 69, Revision 1, establishes ceiling prices for the sale of Kona coffee in the Territory of Hawaii at the producer, miller and roaster-wholesaler levels. It also establishes ceiling prices for milled green Kona coffee sold c. i. f. San Francisco, California, by Hawaii millers.

Kona coffee is a unique type of coffee, grown only on the Kona coast of the Island of Hawaii, from whence it gets its name. It constitutes only a small fraction of world coffee production but is widely consumed in Hawaii and is highly favored as a flavor blend by certain mainland roasters. It is produced by several hundred small growers and sold by them in green parchment form to millers who prepare the coffee in clean green form for roasting. The millers sell the green coffee to roasters who wholesale the product through grocery channels.

Supplementary Regulation 3 to the General Ceiling Price Regulation establishes ceiling prices for green coffee based on the prices in effect during the period January 10, 1951 to January 23, 1951 for Brazilian and Colombian coffee on the mainland commodity exchanges. The Kona variety was not explicitly mentioned, but based on representations of the trade, Kona coffee was selling at that time on the San Francisco exchange at one cent per pound under the washed Colombian variety, and green Kona coffee was regarded as having a ceiling at that point of 59½¢ per pound. Working back from that price with adjustments for differentials in point of delivery (deducting appropriate brokerage, weighing, insurance and transportation charges), a ceiling for sales by millers to roasters was computed. However, it soon became evident that this ceiling was higher than the price Hawaiian roasters were paying for green coffee in the period December 19, 1950 to January 25, 1951, the base period under the General Ceiling Price Regulation. Consequently the roasters, who have been firmly frozen with the ceiling prices prevailing at that time, have been squeezed as grower and miller prices have crept up toward the ceiling established by Supplementary Regulation 3 of the General Ceiling Price Regulation.

This amendment corrects this distortion in the Kona coffee industry by establishing equitable prices for the grower, miller, and roaster-wholesaler which provide fair margins at these levels without increasing ceiling prices of coffee on sales to the consumer.

In formulating this regulation, the Director of Price Stabilization has consulted extensively with industry representatives and has given consideration to their recommendations. In his judgment, the provisions of this regulation are generally fair and equitable and are necessary to effectuate the purposes of Title IV of the Defense Production Act, as amended.

AMENDATORY PROVISIONS

1. Ceiling Price Regulation 69, Revision 1, is amended by adding a new article, Article VI—Kona Coffee, following Article V, as follows:

ARTICLE VI—KONA COFFEE

Sec.
6.1 What this article does.
6.2 Ceiling prices, producers.
6.3 Ceiling prices, millers.
6.4 Ceiling prices, roaster-wholesaler.
6.5 Formulas.
6.6 Definitions.

AUTHORITY: Sections 6.1 to 6.6 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101–2110, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

ARTICLE VI—KONA COFFEE

SEC. 6.1 *What this article does.* This article of the regulation fixes ceiling prices for sales of green and roasted Kona coffee in the Territory of Hawaii for producers, millers and roaster-wholesalers. It also fixes ceiling prices for milled green Kona coffee sold c. i. f. San Francisco, California by Hawaiian millers.

SEC. 6.2 *Ceiling prices, producers.* Your ceiling prices for the sale of green parchment Kona coffee, clean basis, delivered roadside, are as follows:

Grade:	Ceiling prices (per pound)
No. 1 Extra Prime, Extra Prime, Peaberry	$0.4780
Prime	.4480
No. 3X	.3955
No. 3	.3080
Ungraded, as is	.3770

SEC. 6.3 *Ceiling prices, millers*—(a) *Packed in new, non-returnable bags.* Your ceiling prices, per pound, for green Kona coffee packed in new, non-returnable bags, delivered as indicated, are as follows:

Grade	Ex mill	Ex dock Hilo	Ex dock Honolulu via Kailua
No. 1 Extra Prime, Extra Prime, Peaberry	$0.5391	$0.5432	$0.5461
Prime	.5065	.5106	.5133
No. 3X	.4495	.4537	.4561
No. 3	.3544	.3586	.3609

(b) *Packed in used bags.* Your ceiling price for a grade of green Kona coffee listed in paragraph (a) of this section, packed in used bags, is the difference between the ceiling price listed for that grade of coffee packed in new bags, and the amount of the difference between the cost of the used bag and the new bag.

(c) *Sales in Hawaii at other than listed locations.* Your ceiling price for the sale of a grade of green Kona coffee listed in this section, delivered to a place in the Territory of Hawaii other than one of those specified in paragraph (a), is the ceiling price Ex Mill as given in paragraph (a), plus transportation from mill to point of delivery, insurance, and warehousing costs actually incurred by you.

(d) *Mainland sales.* If you are a seller located in the Territory of Hawaii and you sell green Kona coffee which, at the time of sale is located in the Territory of Hawaii, your ceiling prices for the sale of such coffee, packed in new, non-returnable bags, c. i. f. San Francisco, California, are as follows:

Grade:	Ceiling price (per pound)
Extra Fancy	$0.5611
No. 1 Extra Prime, Extra Prime, Peaberry, Flat	.5561
Prime	.5231
No. 3X	.4654
No. 3	.3693

(e) *Sales of grades other than those listed.* If you sell a grade of green milled Kona coffee which is not listed in this section of this regulation, you must file with the Territorial Director of the Office of Price Stabilization, a written application for establishment of ceiling prices for such sales. This application must be in duplicate, must be signed by an authorized person, and must contain the following information:

(1) Your name and business address.

(2) The grade of milled coffee you propose to sell and a description of this grade of coffee.

(3) The estimated quantity of coffee of that grade which you estimate you will sell during the current calendar year.

(4) That price which was your ceiling price under the General Ceiling Price Regulation, if you had a price under that regulation.

(5) Your proposed ceiling price.

(6) A brief statement of the reasons you believe your proposed price is in line with other ceiling prices established by this regulation.

You may sell any such coffee at your General Ceiling Price Regulation ceiling price until the Director of Price Stabilization, by order, establishes your new ceiling price.

SEC 6.4 *Ceiling prices, roaster-wholesaler*—(a) *Roasted Kona coffee, in bulk, bagged in paper bags.* Your ceiling prices, per pound, for roasted Kona coffee, in bulk, bagged in paper bags, are as follows:

Grade	In Kona	In Hilo	In Honolulu
No. 1 Extra Prime, Extra Prime, Peaberry	$0.7404	$0.7447	$0.7500
Prime	.6958	.7000	.7051
No. 3X	.6176	.6220	.6267
No. 3	.4872	.4916	.4962

(b) *Roasted Kona coffee, unbagged.* Your ceiling prices, per pound, for roasted Kona coffee, unbagged, are as follows:

Grade	In Kona	In Hilo	In Honolulu
No. 1 Extra Prime, Extra Prime, Peaberry	$0.7354	$0.7397	$0.7450
Prime	.6908	.6950	.7001
No. 3X	.6125	.6170	.6217
No. 3	.4822	.4866	.4912

(c) *Sales at other than listed locations.* Your ceiling price for the sale of a grade of roasted Kona coffee, delivered to a place in the Territory of Hawaii other than one of the places specified in paragraphs (a) and (b) of this section, is the ceiling price for the place listed in paragraph (a) or (b) which is nearest to your roasting plant, plus, either cost of transportation from that place to point of delivery, and insurance, or cost of transportation from your plant to point of delivery, and insurance, whichever is lower.

(d) *Roasted Kona coffee packed in tin containers, one-pound paper packages, bags, or cartons and vacuum packed tins.* (1) If you are a roaster-wholesaler located in Kona, your ceiling prices for the grades and type of packaging listed are as follows:

Grade	No. 1 Ex, Ex Prime, and Peaberry	Prime	No. 3X	No. 3
1-lb. package or bag	$0.750	$0.706	$0.628	$0.497
1-lb. carton	.760	.716	.638	.507

(2) If you are a roaster-wholesaler located in Hilo, your ceiling prices for the grades and types of packaging listed, are as follows:

Grade	No. 1 Ex, Ex Prime, and Peaberry	Prime	No. 2X	No. 3
1-lb. package or bag	.755	.710	.632	.502
1-lb. carton	.765	.720	.642	.512

(3) If you are a roaster-wholesaler located in Honolulu, your ceiling prices for the grades and types of packaging listed, are as follows:

Grade	No. 1 Ex, Ex Prime, and Peaberry	Prime	No. 2X	No. 3
1-lb. package or bag	$0.760	$0.715	$0.637	$0.506
1-lb. carton	.770	.725	.647	.516
1-lb. VP can	.870	.825	.747	.616
2-lb. VP can	1.720	1.630	1.475	1.212
5-lb. tin	2.420	2.285	2.050	1.659
20-lb. tin	15.660	14.702	13.134	10.524

(4) The above ceiling prices for packaged roasted coffee are based on present cost of containers and shipping cartons. If your packaging costs increase, you may file with the Territorial Office of the Office of Price Stabilization in the Territory of Hawaii an application for adjustment. This application must be in duplicate, must be signed by you and must contain information describing the differences in cost. The Director of Price Stabilization may approve, revise, modify or disapprove your application for an increase of your ceiling price. You may not add any increase in these costs until the Director of Price Stabilization, in writing, notifies you of his approval, revision or modification. Any decrease in the packaging costs must be deducted from the ceiling prices established under subparagraphs (1), (2), and (3) of this paragraph.

SEC. 6.5 *Formulas.* If you sell blended roasted Kona coffee containing two or more grades, selling at two or more different prices, you shall compute your ceiling price for such blended roasted Kona coffee as follows:

(a) *Roasted Kona coffee, in bulk, bagged in paper bags, and roasted Kona coffee unbagged.* The wholesale ceiling price of your blended coffee is the weighted average ceiling prices of the various grades contained in the blend. For example: if your brand of coffee roasted in Honolulu has a formula of 75 percent Extra Prime and 25 percent Prime, the ceiling price shall be:

$0.75 × $0.7500	$0.5625
$0.25 × $0.7051	.1763
Wholesale ceiling price	$0.7388

The ceiling price as computed above shall be reduced to the nearest lower tenth of a cent if the fraction is less than 5/100ths of a cent and may be increased to the nearest higher tenth of a cent if the fraction is 5/100ths of a cent or more.

(b) *Roasted Kona coffee packed in tin containers, one-pound paper packages, bags, or cartons and vacuum packed tins.* Your ceiling price shall be the weighted average price of the ceiling prices of the various grades contained in your roasted blend of Kona coffee. For example: If your roasted coffee packed in one-pound paper bags in Honolulu has a formula of 75 percent Prime and 25 percent No. 3, your ceiling price would be:

$0.75 × $0.715	$0.5363
$0.25 × $0.506	.1265
Wholesale ceiling price	$0.6628

The ceiling prices as computed above are for each unit and must be used as a basis for the calculation of a sale at wholesale by the case. In figuring your wholesale ceiling price for each case, you shall reduce it to the nearest lower cent if the fraction is less than 5/10ths of a cent and you may increase it to the nearest higher cent if the fraction is 5/10ths of a cent or more.

SEC. 6.6 *Definitions.* (a) "Green graded or graded green" means cleaned green coffee beans after the parchment has been removed and then sorted into various grades.

(b) "Kona coffee" means coffee produced in the Kona districts on the Island of Hawaii.

(c) "Miller" means the person who operates a milling plant that removes the parchment from the bean and performs the various sorting, grading, and other milling functions to prepare the coffee for the market in clean, green form.

(d) "Parchment, clean basis" means cleaned Kona coffee in parchment form after the three outer layers (the epicarp, mesocarp, and endocarp) of the fruit are removed by a milling and drying process.

(e) "Producer" means the person who cultivates, plants and harvests the fruit from which Kona coffee in parchment form is obtained.

(f) "Time of sale" means the time at which the parties make a legally binding agreement to buy and sell, or to ship and receive.

Effective date. This Amendment 2 to Ceiling Price Regulation 69, Revision 1, is effective April 9, 1952.

NOTE: The reporting requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

ELLIS ARNALL,
Director of Price Stabilization.

APRIL 4, 1952.

[F. R. Doc. 52-4017; Filed, Apr. 4, 1952; 11:57 a. m.]

[Ceiling Price Regulation 113, Revision 1, Amdt. 5]

CPR 113—WHITE FLESH POTATOES

TEXAS POTATO CROP DISASTER ADJUSTMENT

Pursuant to the Defense Production Act of 1950, as amended (Pub. Law 774, 81st Cong., Pub. Law 96, 82d Cong.), Executive Order 10161, and Economic Stabilization Agency Order No. 2, this Amendment 5 to Ceiling Price Regulation 113, Revision 1, is hereby issued.

STATEMENT OF CONSIDERATIONS

The United States Department of Agriculture has furnished quantity and quality estimates with respect to the early Spring 1952 crop of potatoes produced in southern Texas. These estimates reveal that there has been a substantial crop disaster with respect to this crop. Accordingly, base prices for potatoes produced in the counties of Cameron, Hidalgo, and Willacy in the State of Texas have been increased by 70 cents a hundredweight for the month of April. This adjustment is made on the same basis as those previously made in the case of several Western States.

Before issuing this amendment, the Director of Price Stabilization consulted with individual members of the industry affected including trade association representatives, and gave consideration to their recommendations. In addition, the Director consulted with experts in other governmental agencies. It is the judgment of the Director that the provisions of this amendment are generally fair and equitable and are necessary to effectuate the purposes of the Defense Production Act of 1950, as amended.

AMENDATORY PROVISION

Revision 1 to Ceiling Price Regulation 113 is amended by amending the entry for Florida and Texas in Table I in section 2 (a) to read as follows:

TABLE I—BASE PRICES FOR WHITE FLESH POTATOES

Producing States	Dollars per hundredweight		
	April	May	June
Florida, Texas (other than Cameron, Hidalgo, and Willacy Counties)	$4.30	$3.60	$3.35
Texas (Cameron, Hidalgo, and Willacy Counties only)	5.00	3.60	3.35

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Supp. 2154)

Effective date: This amendment is effective April 3, 1952.

ELLIS ARNALL,
Director of Price Stabilization.

APRIL 3, 1952.

[F. R. Doc. 52-3970; Filed, Apr. 3, 1952; 4:04 p. m.]

Chapter IV—Salary and Wage Stabilization, Economic Stabilization Agency

Subchapter A—Salary Stabilization Board

[General Salary Order 6, Amdt. 2]

GSO 6—MAINTENANCE OF COMPENSATION RELATIONSHIPS

DISTRIBUTION OF AUTHORIZED INCREASES

STATEMENT OF CONSIDERATIONS

Based upon experience in the administration of General Salary Order 6, as amended, the Salary Stabilization Board has determined that it is desirable to grant greater discretion to employers in distributing among their employees under the jurisdiction of the Salary Stabilization Board the increases authorized by the order.

In the formulation of this amendment, due consideration has been given to the standards and procedures set forth in title IV and title VII of the Defense Production Act, as amended; there has been consultation with industry representa-

tives, and consideration has been given to their recommendations.

AMENDATORY PROVISIONS

Section 4 (a) of General Salary Order 6 is amended to read as follows:

SEC. 4 *Distribution of authorized increases.* (a) The aggregate fund or any portion thereof under sections 2 and 3 of this order shall be available for adjustments in salaries and other compensation for employees under the jurisdiction of the Salary Stabilization Board, but no such employee shall receive out of the fund an increase in salary or other compensation in excess of the authorized net percentage available under this order: *Provided, however,* That the failure to restore historical or customary differentials in the company between the compensation of foremen and supervisors in positions comparable to foremen and employees supervised by them and to remove existing inequities in the compensation of employees or groups of employees subject to the jurisdiction of the Salary Stabilization Board shall not constitute a basis for any application for increases in salaries and other compensation.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interprets or applies Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101–2110, Executive Order 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR 1950 Supp.)

Adopted by the Salary Stabilization Board: March 21, 1952.

JUSTIN MILLER,
Chairman.

Approved: April 1, 1952.

ROGER L. PUTNAM,
Economic Stabilization Administrator.

[F. R. Doc. 52-4016; Filed, Apr. 4, 1952; 11:27 a. m.]

Chapter XXI—Office of Rent Stabilization, Economic Stabilization Agency

[Rent Regulation 1, Amdt. 36 to Schedule A]

[Rent Regulation 2, Amdt. 34 to Schedule A]

RR 1—HOUSING

RR 2—ROOMS IN ROOMING HOUSES AND OTHER ESTABLISHMENTS

SCHEDULE A—DEFENSE-RENTAL AREAS

ARIZONA

These amendments are issued as a result of joint certification(s) pertaining to critical defense housing areas by the Secretary of Defense and the Director of Defense Mobilization under section 204 (l) of the Housing and Rent Act of 1947, as amended, and a determination as to the relaxation of real estate construction credit controls under section 204 (m) of said act.

Effective April 7, 1952, Rent Regulation 1 and Rent Regulation 2 are amended so that the item(s) of Schedule A read(s) as set forth below.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

Issued this 2d day of April 1952.

ED DUPREE,
Acting Director of Rent Stabilization.

State and name of defense-rental area	Class	County or counties in defense-rental area under regulation	Maximum rent date	Effective date of regulation
Arizona				
(17) Yuma	A	That part of Yuma County, lying west of 114° longitude and south of 33° latitude.	June 1, 1951	Apr. 7, 1952

[F. R. Doc. 52-3915; Filed, Apr. 4, 1952; 8:47 a. m.]

[Rent Regulation 3, Amdt. 52 to Schedule A]

RR 3—HOTELS

SCHEDULE A—DEFENSE-RENTAL AREAS

ARIZONA

This amendment is issued as a result of joint certification(s) pertaining to critical defense housing areas by the Secretary of Defense and the Director of Defense Mobilization under section 204 (l) of the Housing and Rent Act of 1947, as amended, and a determination as to the relaxation of real estate construction credit controls under section 204 (m) of said act.

Effective April 7, 1952, Rent Regulation 3 is amended so that the item(s) of Schedule A read(s) as set forth below.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

Issued this 2d day of April 1952.

ED DUPREE,
Acting Director of Rent Stabilization.

Name of defense-rental area	State	County or counties in defense-rental area under regulation	Maximum rent date	Effective date of regulation
(17) Yuma	Arizona	That part of Yuma County, lying west of 114° longitude and south of 33° latitude.	June 1, 1951	Apr. 7, 1952

[F. R. Doc. 52-3916; Filed, Apr. 4, 1952; 8:48 a. m.]

TITLE 39—POSTAL SERVICE

Chapter I—Post Office Department

Subchapter M—Personnel

PART 137—FIELD SERVICE

CROSS REFERENCE: For amendment of § 137.3, relating to compensation of fourth class postmasters, see Executive Order 10337, *supra.*

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR Part 68]

U. S. STANDARDS FOR MILLED RICE

GRADES AND GRADE REQUIREMENTS

Notice is hereby given in accordance with section 4 of the Administrative Procedure Act (60 Stat. 237; 5 U. S. C. 1003) that pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.) and the item for marketing services found in the Department of Agriculture Appropriation Act, 1952 (Pub. Law 135, 82d Cong.) the United States Department of Agriculture, in response to requests from representatives of the rice industry, is considering the amendment of the United States standards for milled rice (7 CFR 68.301 et seq.). The aforesaid standards were published in the FEDERAL REGISTER May 3, 1951 (16 F. R. 3883) and have been in effect since July 1, 1951.

It is proposed to amend the standards for milled rice as follows:

1. In the table of grade requirements in § 68.303 (a) the designation of footnote 4 would be changed to footnote 5, and a new footnote 4 would be added to read:

⁴ The milled rice in grade No. 5 of the special grade unpolished milled rice may contain not more than 10 percent of red rice and damaged kernels, either singly or combined, but in any case not more than 6 percent of damaged kernels.

2. In said table in § 68.303 (a) in the column headed "Red rice and damaged kernels (singly or combined)", the present reference to footnote 4 would be deleted and a reference to footnotes 4 and 5 would be added opposite the percentage limits specified for grades U. S. No. 5 and U. S. No. 6, respectively.

3. Section 68.303 (f) (1) (i) prescribing the requirements for unpolished milled rice would be changed to read:

(i) *Requirements.* Unpolished milled rice (sometimes referred to as under-

milled rice) shall be rice from which the hulls, a part of the germs, and the outer bran layers, but not the inner bran layers, have been removed. Unpolished milled rice in grades U. S. No. 1 and U. S. No. 2 may contain not more than 2.0 percent, in grades U. S. No. 3 and U. S. No. 4 not more than 5.0 percent, in grade U. S. No. 5 not more than 10.0 percent, and in grade U. S. No. 6 not more than 15.0 percent of milled rice other than unpolished milled rice; and the factor "color and general appearance" shall be disregarded.

The proposed amendments would change the total allowance of red rice and damaged kernels in unpolished milled rice of the grade U. S. No. 5 to 10 percent although limiting the percentage of damaged kernels to 6 percent within this total, and would increase the tolerance for milled rice in unpolished milled rice of grade U. S. No. 6 to 15 percent.

Any person who desires to submit written data, views, or arguments concerning the proposed amendments of the United States standards for milled rice as set forth above may do so by filing them with the Director of the Grain Branch, Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C., not later than 30 days after publication of this notice in the FEDERAL REGISTER.

Issued this 1st day of April 1952.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 52-3904; Filed, Apr. 4, 1952; 8:46 a. m.]

RENEGOTIATION BOARD

[32 CFR Parts 1453, 1490]

RENEGOTIATION BOARD REGULATIONS UNDER THE 1951 ACT

NOTICE OF PROPOSED RULE MAKING

The Renegotiation Board pursuant to section 109 of the Renegotiation Act of 1951, Public Law No. 9, 82d Congress, proposes to issue the following regulations. The Board intends to make such changes in these proposed regulations as it considers appropriate in the light both of recommendations made by interested persons for changes and improvements therein and of its own further study.

Interested persons are hereby notified that, in order for recommendations for changes and improvements in the proposed regulations to be considered, they must be presented, in writing, to the Renegotiation Board, Washington 25, D. C., within 20 days from the date of this publication in the FEDERAL REGISTER.

(Sec. 109, Pub. Law 9, 82d Cong.)

Dated: April 1, 1952.

JOHN T. KOEHLER,
Chairman,
The Renegotiation Board.

Subchapter B—Renegotiation Board Regulations Under the 1951 Act

PART 1453—MANDATORY EXEMPTIONS FROM RENEGOTIATION

It is proposed to amend § 1453.2 (d) by deleting subparagraphs (1) and (2) and inserting in lieu thereof new subparagraphs (1) to (7) so that § 1453.2 (d), as amended, shall read as follows:

§ 1453.2 *Contracts and subcontracts for certain agricultural commodities and raw materials.* * * *

(d) *Profits from increment in value of excess inventory*—(1) *Statutory provision.* Section 106 (b) of the act provides in part as follows:

Notwithstanding any other provisions of this title, there shall be excluded from consideration in determining whether or not a contractor or subcontractor has received or accrued excessive profits that portion of the profits, derived from receipts and accruals subject to the provisions of this title, attributable to the increment in value of the excess inventory. For the purposes of this subsection the term "excess inventory" means inventory of products, hereinbefore described in this subsection, acquired by the contractor or subcontractor in the form or at the state in which contracts for such products on hand or on contract would be exempted from this title by subsection (a) (2) or (3) of this section, which is in excess of the inventory reasonably necessary to fulfill existing contracts or orders. That portion of the profits, derived from receipts and accruals subject to the provisions of this title, attributable to the increment in value of the excess inventory, and the method of excluding such portion of profits from consideration in determining whether or not the contractor or subcontractor has received or accrued excessive profits, shall be determined in accordance with regulations prescribed by the Board.

(2) *Interpretation.* The basic principles of this exclusion are set forth in the following excerpt from the report of the Senate Committee on Finance:

Since contracts with the acquirer of a product at its last exempted form or state are entitled to the same exemption as contracts with the producer of such product under your committee bill, there has been added to section 106 (b) a provision similar to that contained in the renegotiation statute in effect during World War II, whereby, to the extent that the profits realized by a contractor or subcontractor by reason of the increment in value of his excess inventory of the products described in section 106 (a) (2) and (3) in the form or state in which contracts therefor are exempted under such paragraphs are applicable to receipts and accruals subject to the provisions of the act, they shall be excluded from consideration in determining excessive profits. The test as to whether or not any contractor or subcontractor has an excess inventory of such materials turns upon whether or not the contractor or subcontractor has in inventory quantities of such materials in excess of the amount reasonably necessary to fulfill existing contracts or orders. The method of determining the portion of the profits applicable to receipts and accruals subject to this act realized by reason of the increment in value of an excess inventory and the method of excluding such portion of such profits from renegotiation will be set out in regulations prescribed by the Board. (Senate Report No. 92, 82d Cong., 1st Sess.)

(3) *Definitions.* For the purposes of this paragraph the following definitions will apply.

(i) *Products.* Products are those materials described in paragraphs (a) and (b) of this section (of the grade, class and type to be used by the contractor in fulfilling contracts for processed or finished goods under which amounts received or accrued are subject to renegotiation under the act) acquired by the contractor in the last form or state in which contracts therefor are exempt under the provisions set forth in paragraphs (a) and (b) of this section.

(ii) *Inventory.* Inventory is the quantity of products on hand or under contract for purchase (including the quantity of such products adjusted for waste, contained in the work in process inventory and the inventory of uninvoiced finished goods) reduced by the quantity of products under contract for sale. Profits or losses from the sale of products are excluded from renegotiation under the raw material and agricultural commodity exemptions, and such transactions must be considered separately in the application of this paragraph. A contract for purchases or contract for sale is a contract under the terms of which (*a*) the quantity, the delivery of which the buyer is committed to accept, is certain, (*b*) the time limits in which such fixed quantity is to be delivered are certain, and (*c*) the price is certain or is to be made certain solely by factors existing at a time specified in the contract. Special or unusual contractual arrangements with respect to the acquisition or disposition of products or finished or processed goods will be given special consideration in accordance with the facts in the individual case.

(iii) *Existing contracts or orders.* Existing contracts or orders, at any time, are the uninvoiced portions of those contracts or orders for processed or finished goods, the fulfillment of which requires the use of the products in inventory.

(iv) *Excess inventory.* Excess inventory is the inventory of products which is in excess of the quantity reasonably necessary to fulfill existing contracts or orders.

(v) *Replacement value.* Replacement value of excess inventory is the value of such excess inventory calculated by determining the market value of the products of the grade, of the quality, and in the quantities to be used by the contractor in fulfilling the contract. Such market value is determined as of the date on which the contractor enters into a contract under which any amount received or accrued is subject to the provisions of the act. Any factors tending to establish a fair market value will be taken into consideration. If purchase prices or quotations for the particular grade, class and type are used, it will be required that the source of the information be satisfactory, and that the date of the quotation or sale be within a reasonable time of the date of the contract. Inasmuch as the calculation of excess inventory is generally made on a monthly basis, an average of the market prices existing during each month may be used.

(vi) *Renegotiable performance; non-renegotiable performance.* Renegotiable performance is performance required under contracts to the extent that such performance results in receipts or accruals which are subject to the act. Non-renegotiable performance includes all other performance of the contractor.

(vii) *Increment in value for the fiscal year.* Increment in value for the fiscal year is the amount by which the replacement value of the portion of the excess inventory allocated to renegotiable performance resulting in receipts or accruals during the fiscal year exceeds the cost of such portion of the excess inventory, as determined by the method of accounting being used in renegotiation.

(viii) *Loss in value for the fiscal year.* Loss in value for the fiscal year is the amount by which the cost, under the method of accounting being used in renegotiation, of the portion of excess inventory allocated to renegotiable performance resulting in receipts or accruals during the fiscal year, exceeds the replacement value of such portion of excess inventory.

(4) *Time for determining excess inventory.* Excess inventory will be determined as of the beginning of the inventory accounting period (month, four weeks' period, or other similar period of inventory accounting employed by the contractor, hereinafter referred to as the "inventory period") in which the contractor enters into contracts under which any amounts received or accrued are subject to renegotiation. If no excess inventory is found to exist at the beginning of the inventory period, it will be deemed that none existed throughout the inventory period. If excess inventory is found to exist at the beginning of the inventory period, transactions within that inventory period will not be deemed to increase the amount of such excess inventory as computed at the beginning of the inventory period until new computations at the beginning of the succeeding inventory period are made. It will not be necessary to take actual physical inventories at the beginning of each inventory period; a cumulative calculation may be made by applying the purchases made and orders taken in each inventory period to the position at the beginning thereof, until the date of the succeeding physical inventory. The Board may, in its discretion, allow a contractor to deviate in individual cases from the inventory accounting basis described above, if available records are considered to be such that some other basis (daily, weekly, etc.) will more accurately bring out the facts in the case. Whatever basis is approved shall be used consistently throughout the period to which the renegotiation relates.

(5) *Treatment of excess inventory.* Upon the establishment of the existence of excess inventory, such inventory is deemed to be the inventory first used by the contractor thereafter, and shall be allocated pro-rata between renegotiable performance and non-renegotiable performance under contracts taken during the inventory period to the extent that such renegotiable performance and non-renegotiable performance require the use of the products, up to the end of the inventory period in which the excess inventory is exhausted.

(6) *Exclusion of profits attributable to increment in value of excess inventory.* In any case in which it appears that profits attributable to the increment in value of the excess inventory may exist, a tentative determination of excessive profits will be made without regard to the provisions of this paragraph. The tentative excessive profits, so determined, will then be reduced by the portion of the profits attributable to the increment in value of excess inventory. The portion of the profits attributable to the increment in value of excess inventory is an amount equal to the excess of the increment in value for the fiscal year over the loss in value for the fiscal year.

(7) *Example of computation of exclusion.*

A, whose fiscal year ended June 30, 1951, contracted on January 1, 1950, to sell 1,000,000 units of item X to the Army for $1,000,000. Performance of the contents was as follows:

Units	Manufactured	Invoiced
500,000	Jan. 1, 1950–Oct. 31, 1950	Before Dec. 31, 1950.
300,000	Nov. 1, 1950–Dec. 31, 1950	Jan. 1, 1951–Apr. 1 1951.
100,000	Jan. 1, 1951–May 31, 1951	Before June 30, 1951.
100,000	June 1, 1951–June 31, 1951	July 1, 1951–Aug. 1, 1951.

In producing one unit of item X, 4 pounds of grade Z raw products are required.

In the renegotiation, it is tentatively determined that A received excessive profits of $50,000 from all of his renegotiable business. At the beginning of the inventory period during which January 1, 1950, fell, A had in inventory 5,000,000 pounds of grade Z raw products. Under his accounting methods this was valued at the lower cost or market and allocated to production on the first in, first out basis. This inventory was acquired as follows:

April 1, 1949, 2,000,000 pounds @ $0.24 per pound.

June 1, 1949, 2,000,000 pounds @ $0.25 per pound.

October 1, 1949, 1,000,000 pounds @ $0.255 per pound.

On January 1, 1950, A had unfilled contracts or commitments requiring the use of 500,000 pounds of grade Z raw products. The quantity of his excess inventory is computed as follows:

	Pounds
Inventory (at beginning of inventory period)	5,000,000
Less raw products required for unfilled contracts	500,000
Excess inventory (long position)	4,500,000

The market price of grade Z raw products on January 1, 1950, was $0.26 per pound. This is the replacement value of the excess inventory.

The 1,000,000 units of item X require 4,000,000 pounds of grade Z raw products. Therefore, of the 4,500,000 pounds of excess inventory, 4,000,000 pounds are allocable to the contract in question. It is now necessary to consider the invoice dates set forth at the beginning of the example. Of the 4,000,000 pounds, 2,000,000 pounds are allocable to performance resulting in receipts or accruals before the effective date of the act and 400,000 pounds to performance resulting in receipts or accruals after the end of the fiscal year. The remaining 1,600,000 pounds are allocable to renegotiable performance resulting in receipts or accruals during the fiscal year. It is the excess of the replacement value over the cost of such 1,600,000 pounds of excess inventory which constitutes the increment in value for the fiscal year. This is computed as follows:

Replacement value 1,600,000 pounds @ $0.26		$416,000.00
Less cost:		
1,500,000 pounds @ $0.25	$375,000	
100,000 pounds @ $0.255	25,500	
		400,500.00
Increment in value for the fiscal year		15,500.00

Since there was no loss in value for the fiscal year, the portion of profits attributable to increment in value of excess inventory is equal to $15,500. The tentative determination of excessive profits, $50,000, will therefore be reduced by $15,500 to arrive at the excessive profits to be eliminated.

PART 1490—BROKERS, MANUFACTURERS' AGENTS, AND DEALERS

It is proposed to add the following new part:

Sec.

§ 1490.1 *Introduction.* Subcontracts described in section 103 (g) (3) of the act are substantially different from other contracts and subcontracts subject to the act, both in the nature of the services rendered thereunder and their relation to the defense effort. Because of these basic differences, the application of the act to such subcontracts gives rise to correspondingly different problems and considerations. The regulations in this part apply solely to subcontracts described in section 103 (g) (3) of the act. As used in this part, except when the context clearly indicates otherwise, the term "contractor" means any person holding one or more subcontracts described in section 103 (g) (3) of the act.

§ 1490.2 *Statutory provisions.* (a) *Coverage.* Section 103 (g) (3) of the act provides in part as follows:

The term "subcontract" means—

(1) * * *

(2) * * *

(3) Any contract or arrangement (other than a contract or arrangement between two contracting parties, one of whom is found by the Board to be a bona fide executive officer, partner, or full-time employee of the other contracting party) under which—

(A) Any amount payable is contingent upon the procurement of a contract or contracts with a Department or of a subcontract or subcontracts; or

(B) Any amount payable is determined with reference to the amount of a contract or contracts with a Department or of a subcontract or subcontracts; or

(C) Any part of the services performed or to be performed consists of the soliciting, attempting to procure, or procuring a contract

or contracts with a Department or a subcontract or subcontracts.

(b) *Minimum amount subject to renegotiation.* Section 105 (f) (2) of the act provides as follows:

If the aggregate of the amounts received or accrued during a fiscal year (and on or after the applicable effective date specified in section 102 (a)) by a subcontractor, and all persons under control of or controlling or under common control with the subcontractor, under subcontracts described in section 103 (g) (3) is not more than $25,000, the receipts or accruals from such subcontracts shall not, for such fiscal year, be renegotiated under this title. If the aggregate of such amounts received or accrued during the fiscal year under such subcontracts is more than $25,000, no determination of excessive profits to be eliminated for such year with respect to such subcontracts shall be in an amount greater than the amount by which such aggregate exceeds $25,000.

§ 1490.3 *Limited exemption of subcontracts for architectural, design or engineering services.* Certain subcontracts described in section 103 (g) (3) of the act have been exempted by the Board under certain circumstances. Such exemption is limited to subcontracts "for architectural, design or engineering services, no part of which services are or were related to the effecting or procuring of a contract with a Department or a subcontract, if the aggregate amount received or accrued during a fiscal year by a subcontractor and all persons under control of or controlling or under common control with the subcontractor, is not more than $250,000" (see § 1455.3 (b) (6) of this chapter).

§ 1490.4 *Application of the act.* Subcontracts described in section 103 (g) (3) of the act are subject to renegotiation under the act to the extent of amounts received or accrued on or after the date applicable to the prime contract to which the subcontract relates (see § 1452.2 of this chapter).

§ 1490.5 *Filing of financial statement.* The regulations pertaining to this subject are set forth in § 1470.3 of this chapter. It will be noted therefrom that no special form is prescribed for persons holding subcontracts described in section 103 (g) (3) of the act. Such persons shall adapt the Standard Form of Contractor's Report to their particular needs.

§ 1490.6 *Determination of renegotiable business under section 103 (g) (3) of the act.* (a) Receipts and accruals which are derived from any contract or arrangement described in section 103 (g) (3) of the act are renegotiable only to the extent that they are contingent upon the procurement of a renegotiable prime contract or subcontract, or are determined with reference to the amount of a renegotiable prime contract or subcontract, or are received or accrued for soliciting, attempting to procure, or procuring a renegotiable prime contract or subcontract.

Example. X Company, only part of whose sales are subject to renegotiation, enters into a sales commission contract with a sales representative. Pursuant to such contract he makes sales on behalf of X company to Y company, which is not engaged in renegotiable business, and also to the Department of the Army. The commissions on the sales to the Department of the Army are renegotiable since they are received for procuring a renegotiable prime contract. The commissions on the sales to Y company are not renegotiable even though all of the commissions are received pursuant to the single commission contract. It is immaterial in this instance whether the commission is a fixed amount or is measured by the amount of the renegotiable sales.

(b) All receipts or accruals which are contingent upon the procurement of renegotiable prime contracts or subcontracts or which are determined with reference to the amount thereof, are subject to the act without regard to whether they are paid or payable for the procurement of such prime contracts or subcontracts or for the servicing thereof.

Example. A sales organization is entitled by its contract with X Corporation to be paid 5% of all sales of X Corporation within a certain territory. Most sales during the year are repeat orders placed directly with X Corporation by regular customers who make their purchases in connection with renegotiable business. The main function of the sales organization is to service the contracts, expedite shipments, and render engineering or other technical assistance to X Corporation in the improvement, use or maintenance of its products. All commissions received or accrued by the sales organization from X Corporation on renegotiable business are subject to the act.

(c) If the amount of the receipts or accruals under a subcontract described in section 103 (g) (3) of the act is not contingent upon the procurement of a renegotiable prime contract or subcontract, or measured by the amount thereof, but is received or accrued in whole or in part for soliciting, attempting to procure or procuring such a contract, that part of such receipts or accruals is subject to the act which the Board determines to be reasonably allocable to renegotiable sales.

Example. Pursuant to a fixed monthly retainer, a manufacturer's representative represents X Corporation, sells its products, assists in expediting shipment thereof, and performs engineering services in connection with such sales and the use of such products. Normally, segregation will be accomplished by applying to the receipts or accruals from the retainer contract the same ratio which renegotiable sales bear to total sales. If it should appear, however, on the basis of such ratio that a proportionate part of the retainer was not passed on or reflected in the sales price to the defense buyer, an adjustment will be made to reflect the fact that a disproportionate part of the retainer is referable to nonrenegotiable sales.

(d) A contract to furnish engineering or other technical services required for the performance of a renegotiable prime contract or subcontract is not a subcontract described in section 103 (g) (3) of the act if no part of the amount payable under such contract is contingent upon the procurement of a renegotiable prime contract or subcontract, or is measured by the amount thereof, and if no part of the services performed or to be performed thereunder consists of soliciting, attempting to procure, or procuring a renegotiable prime contract or subcontract. However, a contract to furnish such services is a subcontract described in section 103 (g) (1) of the act.

(e) Receipts and accruals under subcontracts described in section 103 (g) (3) of the act are exempt from renegotiation, to the extent that such receipts and accruals are referable to prime contracts and subcontracts which are exempted from the provisions of the act by sections 106 (a) or (d) thereof. See §§ 1453.6 and 1455.7 of this chapter.

(f) Receipts and accruals under subcontracts described in section 103 (g) (3) of the act, to the extent that such receipts and accruals are referable to subcontracts for new durable productive equipment, and subject to renegotiation to the same extent as the receipts or accruals under the subcontracts to which they are referable.

§ 1490.7 *Determination of excessive profits under subcontracts described in section 103 (g) (3) of the act*—(a) *General considerations.* (1) It is recognized that, in times of emergency, the bona fide manufacturer's representative or salesman can render a useful service in the defense effort by making sources of materials available to defense contractors, coordinating procurement needs with the productive capacities of his principal, expediting shipments, and rendering expert technical assistance to the buyer, the seller and the Government.

(2) At the same time, under emergency conditions, the demand for materials is so enhanced that a normal return to a sales representative for selling goods or services or to a person compensated on a commission or percentage basis may become excessive when considered in relation to the character and amount of work performed by such person. To the extent that the emergency creates a sellers' market, it tends to reduce the amount of effort required to locate buyers and to induce them to purchase. At the same time, the increase in the volume of such purchasing frequently results in a corresponding dollar increase in sales commissions. When commissions are based on a rate of compensation which was established in normal times, when supply and demand were more evenly balanced, excessive compensation may result without corresponding benefits to the buyer and supplier of the materials. This excessive compensation, when paid for the procurement of defense prime contracts or subcontracts, is borne ultimately by the Government.

(3) Consequently, while there is definite value in the services of sales representatives in the prosecution of the defense effort, it is necessary to maintain the compensation paid for such services at a reasonable level commensurate with their character, amount and value, and thus to avoid excessive costs and profits. This applies with equal force to the commissions of established sales agencies and the commissions of agencies which have developed solely or principally as a result of the emergency.

(b) *Application of statutory factors; general policy.* Reasonable profits will be determined in every case by over-all evaluation of the particular factors present and not by the application of any fixed formula with respect to rate of profit, or otherwise. Renegotiation

proceedings will not result in a profit based on the principle of a percentage of cost. Brokers, manufacturers' agents, and dealers who render a valuable service in the prosecution of the defense effort, through bringing production facilities into defense work, furnishing technical assistance in the use and maintenance of the products of their principals, or otherwise improving or facilitating the execution of the defense program, will receive a more favorable determination than those who do not. Such favorable or unfavorable determination will be reflected in the profits allowed to be retained by the contractor as nonexcessive. Claims of a contractor for favorable consideration must be supported by established facts, analyses and appropriate comparisons.

§ 1490.8 *Efficiency of the contractor*—(a) *Statutory provision.* Section 103 (c) of the act provides that in determining excessive profits, favorable recognition must be given to:

the efficiency of the contractor or subcontractor, with particular regard to attainment of quantity and quality production, reduction of costs, and economy in the use of materials, facilities, and manpower;

(b) *Comment.* Favorable recognition must be given to the contractor's efficiency in operations, with particular attention to the following:

(1) Quantity of production; for example, the servicing or expediting of an expanded volume of renegotiable sales without a correspondingly expanded staff.

(2) Quality of production; for example, maintenance of standards of service, advice and technical assistance to buyers and sellers, notwithstanding increased volume of work; maintenance of delivery schedules, to the extent resulting from efforts of the contractor.

(3) Reduction of costs; for example, decrease in promotional expenses as compared with previous years and with the experience of other similar contractors.

(4) Economy in the use of materials, facilities, and manpower; for example, utilizing the services of less skilled employees or trainees to do technical work normally requiring employees with greater training and experience when such more highly skilled employees are not available.

§ 1490.9 *Reasonableness of costs and profits*—(a) *Statutory provision.* Section 103 (e) of the act provides that in determining excessive profits there shall be taken into consideration the following factor:

(1) Reasonableness of costs and profits, with particular regard to volume of production, normal earnings, and comparison of war and peacetime products:

(b) *Comment.* Consideration will be given to the reasonableness or the excessiveness of costs and profits of the contractor. Comparisons will be made with the contractor's own costs and profits in previous years and with current costs and profits of other contractors, if such information is available. In making comparisons for fiscal periods ended before January 1, 1951, profits during World War II years will not be regarded as determinative. Nor is it intended that renegotiation should, in effect, freeze the contractor's profits at the peacetime level. Rather it is intended that he be allowed a reasonable reward for his effort, skill and success in performing services for his principals and for his contribution to the defense effort. The reasonableness of profits will be determined on a dollar basis rather than on the basis of a percentage of the sales of his principals.

§ 1490.10 *Capital employed*—(a) *Statutory provision.* Section 103 (e) of the act provides that in determining excessive profits there shall be taken into consideration the following factors:

(2) The net worth, with particular regard to the amount and source of public and private capital employed;

(b) The net worth of a sales organization is rarely of sufficient importance to have a bearing upon the reasonableness of sales commissions; nor, as a general rule, is any substantial amount of capital, either public or private, employed in his operations. However, when sufficient capital or net worth is employed, consideration will be given thereto in determining the existence and amount of excessive profits of such a contractor.

§ 1490.11 *Extent of risk assumed*—(a) *Statutory provision.* Section 103 (e) of the act provides that in determining excessive profits there shall be taken into consideration the following factor:

(3) Extent of risk assumed, including the risk incident to reasonable pricing policies;

(b) *Comment.* If the contractor undertakes financial obligations or incurs financial risks in connection with his renegotiable business, such obligations and risks will be taken into consideration in determining what constitutes excessive profits. To receive such consideration, such risk must be an unusual one and not merely the risk of expending the efforts and capacities of a sales organization without assurance of compensation. Any risk incident to the performance of sales services on a contingent basis is one which is assumed by most sales organizations and, furthermore, is one which diminishes with the increased volume of business resulting from the defense effort.

§ 1490.12 *Contribution to the defense effort*—(a) *Statutory provision.* Section 103 (e) of the act provides that in determining excessive profits there shall be taken into consideration the following factor:

(4) Nature and extent of contribution to the defense effort, including inventive and developmental contribution and cooperation with the Government and other contractors in supplying technical assistance.

(b) *Comment.* This factor is especially significant in determining excessive profits under subcontracts described in section 103 (g) (3) of the act. A manufacturer's representative or salesman can make a substantial contribution to the defense effort by (1) making sources of materials and services available to defense contractors, including the exercise of ingenuity in bringing facilities and services into defense work and developing new uses for old products; (2) correlating the productive capacity of a manufacturer with the procurement needs of the defense effort; (3) expediting the purchase and flow of materials to contractors; (4) servicing sales contracts during performance to meet the requirements of the buyer; (5) rendering expert engineering or other technical assistance to the buyer, the seller and the Government. The contractor who assists the prosecution of the defense effort in any of the above ways, or in other ways, will be given more favorable consideration than the contractor who does not. The profits allowed to be retained by the contractor as nonexcessive will include a suitable financial reward for any exceptional accomplishments or outstanding efforts that inured or might reasonably have inured to the benefit of the defense effort. To determine this, comparison will be made with the services and activities customarily performed by similar contractors in the same field.

§ 1490.13 *Character of business*—(a) *Statutory provision.* Section 103 (e) of the act provides that in determining excessive profits there shall be taken into consideration the following factor:

(5) Character of business, including source and nature of materials, complexity of manufacturing technique, character and extent of subcontracting, and rate of turnover.

(b) *Comment.* Consideration will be given to the character of the business of the contractor. This will vary greatly from one sales organization to another. The contractor who merely takes orders and transmits them to his principal generally is not entitled to as large a profit as the contractor who, in addition to such functions, also performs technical services in adapting his principal's products to the needs of his buyers or devotes substantial effort to expediting shipments and servicing the sales he has made. The profits allowed to be retained by the contractor will reflect the skill, training and experience required to accomplish the functions performed by the contractor, and the compensation customarily paid for such skill, training and experience.

[F. R. Doc. 52-3905; Filed, Apr. 4, 1952; 8:47 a. m.]

NOTICES

DEPARTMENT OF LABOR

Wage and Hour and Public Contracts Divisions

EMPLOYMENT OF HANDICAPPED CLIENTS BY SHELTERED WORKSHOPS

ISSUANCE OF SPECIAL CERTIFICATES

Notice is hereby given that special certificates authorizing the employment of handicapped clients at hourly wage rates lower than the minimum wage rates applicable under section 6 of the Fair Labor Standards Act of 1938, as amended, and section 1 (b) of the Walsh-Healey Public Contracts Act, as amended, have been issued to the sheltered workshops hereinafter mentioned, under section 14 of the Fair Labor Standards Act of 1938, as amended (sec. 14, 52 Stat. 1068; 29 U. S. C. 214; as amended 63 Stat. 910) and Part 525 of the regulations issued thereunder, as amended (29 CFR Part 525), and under sections 4 and 6 of the Walsh-Healey Public Contracts Act (secs. 4, 6, 49 Stat. 2038; 41 U. S. C. 38, 40) and Article 1102 of the regulations issued pursuant thereto (41 CFR 201.1102).

The names and addresses of the sheltered workshops to which certificates were issued, wage rates, and the effective and expiration dates of the certificates are as follows:

New York Guild for the Jewish Blind, 1880 Broadway, New York 23, New York; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards or not less than 50 cents per hour, whichever is higher. Certificate is effective March 1, 1952, and expires February 28, 1953.

Syracuse Association of Workers for the Blind, Inc., 425 James Street, Syracuse, New York; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards or not less than the applicable hourly rate during the period hereinafter specified, whichever is higher: 20 cents per hour for an evaluation period of 160 hours for the entire shop with the following rates and periods applicable for the various departments listed: Sewing department, 20 cents per hour for a training period of 320 hours and 30 cents thereafter; rug weaving department, 20 cents per hour for a training period of 240 hours and 30 cents thereafter; stuffed toy department, 20 cents per hour for a training period of 80 hours and 30 cents thereafter; contract department, 20 cents per hour for a training period of 40 hours and 20 cents thereafter. Certificate is effective March 18, 1952, and expires February 28, 1953.

Pittsburgh Branch Pennsylvania Association for the Blind, 308 South Craig Street, Pittsburgh, Pennsylvania; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards or not less than the applicable hourly rate during the periods hereinafter specified, whichever is higher: 20 cents per hour for an evaluation period of 80 hours and a training period of 120 hours, and a rate of 42½ cents per hour thereafter for the entire shop. Certificate is effective March 13, 1952, and expires February 28, 1953.

Pennsylvania Branch, Shut-In Society, 319 North Eleventh Street, Philadelphia, Pennsylvania; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards or not less than 5 cents per hour for an evaluation period of 80 hours and a training period of 120 hours, and 25 cents per hour thereafter, whichever is higher. Certificate is effective March 1, 1952, and expires February 28, 1953.

Pennsylvania Working Home for Blind Men, Thirty-sixth and Lancaster Avenue, Philadelphia, Pennsylvania; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards, or not less than the applicable hourly rates hereinafter specified, whichever is higher: 15 cents per hour for an evaluation period of 80 hours and a training period of 120 hours for the entire shop with the following rates applicable to the various Division of the shop as listed: Mop department, 45 cents per hour; rug department, 40 cents per hour; mat department, 40 cents per hour; broom department, 40 cents per hour; certificate is effective April 1, 1952, and expires March 31, 1953.

United Vocational and Employment Service, 931 Penn Avenue, Pittsburgh, Pennsylvania; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards or not less than 15 cents per hour for an evaluation period of 120 hours and a training period of 40 hours, and 25 cents per hour thereafter, whichever is higher. Certificate is effective March 1, 1952, and expires February 28, 1953.

Volunteers of America, 1213 Bellevue, Detroit 7, Michigan; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining aproved labor standards, or not less than the applicable hourly rates during the periods hereinafter specified, whichever is higher: 35 cents per hour for a training period of 40 hours and 40 cents per hour thereafter; certificate is effective March 10, 1952, and expires February 28, 1953.

Volunteers of America, 10–16 St. Clair Street, Toledo 4, Ohio; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards, or not less than 50 cents per hour for a training period of 40 hours and 70 cents per hour thereafter, whichever is higher. Certificate is effective March 1, 1952, and expires February 28, 1953.

Wabash Valley Goodwill Industries, Inc., 122–124 North Fifth Street, Terre Haute, Indiana; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards, or not less than 55 cents per hour for an evaluation period of 160 hours and 60 cents per hour thereafter, whichever is higher. Certificate is effective March 1, 1952, and expires February 28, 1953.

Workshop for the blind, 509 Sibley Street, St. Paul 1, Minnesota; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards, or not less than the applicable hourly rate during the periods hereinafter specified, whichever is higher: 30 cents per hour for an evaluation period of 160 hours for the entire shop with the following rates and periods applicable for the various departments listed: Sewing department, 40 cents per hour for a training period of 160-hours and 50 cents thereafter; contract department, 40 cents per hour for a training period of 120 hours and 50 cents thereafter; rug weaving department at a rate of 30 cents per hour for a training period of 80 hours and 35 cents thereafter; woodworking and jobbing department, 30 cents per hour for a training period of 160 hours and 50 cents thereafter. Certificate is effective February 1, 1952, and expires July 31, 1952.

Milwaukee Goodwill Industries, 2102 West Pierce Street, Milwaukee 46, Wisconsin; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards or not less than 45 cents per hour for an evaluation period of 160 hours and 50 cents per hour thereafter, whichever is higher; certificate is effective March 1, 1952, and expires February 28, 1953.

Volunteers of America of Los Angeles, 333 South Los Angeles Street, Los Angeles 13, California; at a wage rate of not less than the piece rate paid non-handicapped employees engaged in the same occupation in regular commercial industry maintaining approved labor standards, or not less than 40 cents per hour for an evaluation period of 80 hours and 55 cents per hour thereafter, whichever is higher. Certificate is effective March 3, 1952, and expires September 4, 1952.

The employment of handicapped clients in the above-mentioned sheltered workshops under these certificates is limited to the terms and conditions therein contained and is subject to the provisions of Part 525 of the regulations, as amended. These certificates have been issued on the applicants' representations

that they are sheltered workshops as defined in the regulations and that special services are provided their handicapped clients. A sheltered workshop is defined as, "A charitable organization or institution conducted not for profit, but for the purpose of carrying out a recognized program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, and to provide such individuals with remunerative employment or other occupational rehabilitating activity of an educational or therapeutic nature."

These certificates may be canceled in the manner provided by the regulations, as amended. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within 15 days after publication of this notice in the FEDERAL REGISTER.

Signed at Washington, D. C., this 28th day of March 1952.

[SEAL] RAYMOND G. GARCEAU,
Assistant Administrator.

[F. R. Doc. 52-3927; Filed, Apr. 4, 1952; 8:49 a. m.]

CIVIL AERONAUTICS BOARD

[Regs., Serial No. SR-380]

REEVE ALEUTIAN AIRWAYS, INC.

PILOT FLIGHT TIME LIMITATIONS

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 31st day of March 1952.

Reeve Aleutian Airways, Inc. (RAA), has filed a request for the extension of the authority granted by Special Civil Air Regulation SR-362 which authorizes RAA to deviate from the flight time limitations of paragraph (a) of § 41.54 of the Civil Air Regulations over its route between Anchorage and Adak, Alaska. Special Regulation SR-362, which expires April 1, 1952, presently contains such authorization. RAA has been operating in accordance with this special regulation since June 1951 and has informed the Board that it is well suited to its operations. The factors which caused the Board to adopt the regulation initially are unchanged, and the CAA has recommended that it be extended.

The Board recognizes that operating conditions in Alaska differ in certain material respects from those in the continental United States. Accordingly this regulation allows a certain amount of flexibility from the pilot flight time limitations of Part 41 with certain safeguards to insure a high degree of safety.

This regulation waives the requirements of § 41.54 (a) to permit RAA to schedule 2 pilots accompanied by a certificated A & E mechanic to fly, without a rest period, not more than 8 hours and 30 minutes between Anchorage and Adak during any 24 consecutive hours. If a pilot is scheduled to fly in excess of 8 hours and 30 minutes during any 24 consecutive hours, he must be given an intervening rest period at or before the termination of 8 hours and 30 minutes of such flight duty. This rest period must comply with the requirements of § 41.54 (a) and, where a pilot has flown in excess of 8 hours and 30 minutes, with the requirements of § 41.54 (b).

It is further provided that a certificated A & E mechanic, to be eligible for flight duty in these operations, must meet certain knowledge and skill requirements appropriate to the aircraft flown. The Administrator must examine each such applicant with respect to (1) his knowledge of aircraft performance, aircraft engine operation, and their limitations, mathematical computations of engine and fuel consumption, including an understanding of basic meteorology as it affects engine operations, and mathematical computations pertaining to aircraft loading and center of gravity, and (2) his skill in recognizing and remedying the malfunctioning of aircraft, aircraft engines, propellers, and appliances, and performing emergency duties and procedures relating to aircraft engines, propellers, and appliances.

RAA is presently operating under a temporary certificate of public convenience and necessity which expires April 9, 1953. Therefore, although this regulation is being extended for a period of 3 years, it will terminate upon the expiration of RAA's economic operating authority should it not be renewed or should it be significantly changed.

Interested persons have been afforded an opportunity to participate in the making of this regulation, and due consideration has been given to all relevant matter presented. Since this regulation imposes no additional burden on any person, it may be made effective without prior notice.

In consideration of the foregoing, the Civil Aeronautics Board hereby makes and promulgates the following Special Civil Air Regulation effective immediately:

1. Notwithstanding the provisions of paragraph (a) of § 41.54 of the Civil Air Regulations, Reeve Aleutian Airways, Inc. (RAA) is authorized to schedule a pilot for flight duty between Anchorage and Adak, Alaska, 8 hours and 30 minutes or less during any 24 consecutive hours, without a rest period during such 8 hours and 30 minutes. If a pilot is scheduled for such flight duty in excess of 8 hours and 30 minutes during any 24 consecutive hours, he shall be given an intervening rest period at or before the termination of 8 hours and 30 minutes of his scheduled flight duty. This rest period must comply with the requirements of § 41.54 (a) and, where a pilot has flown in excess of 8 hours and 30 minutes, with the requirements of § 41.54 (b). On these flights the crew shall consist of 2 pilots and a certificated A & E mechanic approved by the Administrator for this duty.

2. The Administrator shall examine each certificated A & E mechanic applying for this duty in respect to his special knowledge and skill appropriate to the aircraft used by RAA in operations over this route before certifying to his competency. The results of this examination shall be a permanent part of RAA's company records.

(a) The knowledge requirements for each applicant shall include the following subjects: Aircraft performance, aircraft engine operation, and their limitations; mathematical computations of aircraft engine operation and fuel consumption, together with basic meteorology as it affects aircraft engine operations; and mathematical computations pertaining to aircraft loading and center of gravity.

(b) The skill requirements for each applicant shall include the following abilities: Recognition and repair of malfunctioning aircraft, aircraft engines, propellers, and appliances; and performance of emergency duties and procedures in respect of aircraft engines, propellers and appliances.

3. This regulation shall supersede Special Civil Air Regulation Serial Number SR-362 and shall terminate on April 1, 1955, or upon the termination of or major change to the economic operating authority of Reeve Aleutian Airways, Inc., whichever shall first occur, unless sooner superseded or rescinded by the Board.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 52-3922; Filed, Apr. 4, 1952; 8:50 a. m.]

FEDERAL POWER COMMISSION

[Docket No. E-6411]

CONOWINGO POWER CO. AND PHILADELPHIA ELECTRIC CO.

NOTICE OF ORDER AUTHORIZING ISSUANCE AND APPROVING ACQUISITION OF SECURITY

APRIL 1, 1952.

Notice is hereby given that on March 28, 1952, the Federal Power Commisison issued its order entered March 27, 1952, authorizing issuance of security and authorizing and approving acquisition of security in the above-entitled matter.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52-3892; Filed, Apr. 4, 1952; 8:45 a. m.]

[Docket Nos. G-1761, G-1762]

UNITED FUEL GAS CO. ET AL.

NOTICE OF FINDINGS AND ORDER

APRIL 1, 1952.

In the matters of United Fuel Gas Company, Docket No. G-1761; United Fuel Gas Company, and the Manufacturers Light and Heat Company, Docket No. G-1762.

Notice is hereby given that on March 28, 1952, the Federal Power Commission issued its order entered March 27, 1952, issuing certificates of public convenience and necessity and authorizing abandonment of facilities in the above-entitled matters.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 52-3893; Filed, Apr. 4, 1952; 8:45 a. m.]

[Docket Nos. G-1878, G-1889]

MARTIN WUNDERLICH ET AL.

NOTICE OF FINDINGS AND ORDER ISSUING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

APRIL 1, 1952.

In the matters of Martin Wunderlich and Lee Aikin, Docket No. G-1878, Lone Star Gas Company, Docket No. G-1889.

Notice is hereby given that on March 28, 1952, the Federal Power Commission issued its order entered March 27, 1952, issuing certificate of public convenience and necessity and permitting and approving abandonment by sale in the above-entitled matters.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52-3894; Filed, Apr. 4, 1952; 8:46 a. m.]

[Docket Nos. ID-897, ID-1148, ID-1172]

NEWELL A. CLARK ET AL.

NOTICE OF ORDERS AUTHORIZING APPLICANTS TO HOLD CERTAIN POSITIONS

APRIL 1, 1952.

In the matters of Newell A. Clark, Docket No. ID-897; Harold L. Dalbeck, Docket No. ID-1148; James E. Cutcliffe, Jr., Docket No. ID-1172.

Notice is hereby given that on March 28, 1952, the Federal Power Commission issued its orders entered March 27, 1952, authorizing applicants to hold certain positions pursuant to section 305 (b) of the Federal Power Act in the above-entitled matters.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52-3895; Filed, Apr. 4, 1952; 8:46 a. m.]

[Project No. 82]

ALABAMA POWER CO.

NOTICE OF ORDER DETERMINING NET CHANGES IN ACTUAL LEGITIMATE ORIGINAL COST OF PROJECT AND PRESCRIBING ACCOUNTING THEREFOR

APRIL 1, 1952.

Notice is hereby given that on March 31, 1952, the Federal Power Commission issued its order entered March 27, 1952, determining net changes in actual legitimate original cost of project and prescribing accounting therefor in the above-entitled matter.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52-3896; Filed, Apr. 4, 1952; 8:46 a. m.]

INTERSTATE NATURAL GAS CO., INC.

NOTICE OF ORDER APPROVING AND DIRECTING DISPOSITION OF GAS PLANT ADJUSTMENT AMOUNTS

APRIL 1, 1952.

Notice is hereby given that on March 31, 1952, the Federal Power Commission issued its order entered March 28, 1952, approving and directing disposition of amounts classified in Account 100.5, gas plant acquisition adjustments, and Account 107, gas plant adjustments in the above-entitled matter.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52-3897; Filed, Apr. 4, 1952; 8:46 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 26931]

PAPER ARTICLES FROM POINTS IN OFFICIAL SOUTHERN AND SOUTHWESTERN TERRITORIES TO RIO GRANDE CROSSINGS

APPLICATION FOR RELIEF

APRIL 2, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: F. C. Kratzmeir, Agent, for carriers parties to his tariff I. C. C. No. 3905.

Commodities involved: Paper and related articles, including wallboard, fibreboard, and pulpboard, carloads.

From: Points in official, southern, and southwestern territories.

To: Rio Grande crossings (on traffic for export to Mexico).

Grounds for relief: Rail competition, circuity, grouping, and to apply over short tariff routes rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates: F. C. Kratzmeir's tariff I. C. C. No. 3905, Supp. 45.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-3908; Filed, Apr. 4, 1952; 8:47 a. m.]

[4th Sec. Application 26932]

LARD AND RELATED ARTICLES FROM TEXAS TO OKLAHOMA

APPLICATION FOR RELIEF

APRIL 2, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: F. C. Kratzmeir, Agent, for the Chicago, Rock Island and Pacific Railroad Company and other carriers.

Commodities involved: Lard, lard compounds, lard substitutes, cooking and salad oils, and vegetable oil shortening, carloads.

From: Dallas, Fort Worth, and North Fort Worth, Tex.

To: Lawton, McAlester, and Oklahoma City, Okla.

Grounds for relief: Circuitous routes.

Schedules filed containing proposed rates: F. C. Kratzmeir's tariff I. C. C. No. 3588, Supp. 165.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-3909; Filed, Apr. 4, 1952; 8:47 a. m.]

[4th Sec. Application 26933]

PIPE AND RELATED ARTICLES FROM TEXAS PORTS TO NEW MEXICO

APPLICATION FOR RELIEF

APRIL 2, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: The Atchison, Topeka and Santa Fe Railway Company, for itself and on behalf of the Gulf, Colorado and Santa Fe Railway Company and Panhandle and Santa Fe Railway Company.

Commodities involved: Iron or steel pipe and related articles, carloads.

From: Houston, Galveston, and Texas City, Tex.

To: Points in New Mexico.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: AT&SF Ry. tariff I. C. C. No. 14346, Supp. 136.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose

their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-3910; Filed, Apr. 4, 1952; 8:47 a. m.]

[4th Sec. Application 26934]

PETROLEUM PRODUCTS FROM SUPERIOR, WIS., TO MINNESOTA

APPLICATION FOR RELIEF

APRIL 2, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: The Northern Pacific Railway Company, for itself and on behalf of the Minnesota, Dakota & Western Railway Company.

Commodities involved: Gasoline and other petroleum products, in tank-car loads.

From: Superior, Wis.

To: Points in Minnesota.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: Nor. Pac. Ry. tariff I. C. C. No. 9602, Supp. 60.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-3911; Filed, Apr. 4, 1952; 8:47 a. m.]

[4th Sec. Application 26935]

MOTOR-RAIL-MOTOR RATES BETWEEN POINTS IN MASSACHUSETTS, RHODE ISLAND AND NEW YORK

APPLICATION FOR RELIEF

APRIL 2, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: The New York, New Haven and Hartford Railroad Company and Dana Trucking Company, Inc.

Commodities involved: All commodities.

Between: Boston, Lowell, and Worcester, Mass., and Providence, R. I., on the one hand, and Harlem River, N. Y., on the other.

Grounds for relief: Competition with motor carriers.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-3912; Filed, Apr. 4, 1952; 8:47 a. m.]

[4th Sec. Application 26936]

GROUND WOOD PAPERS FROM MAINE TO OFFICIAL TERRITORY

APPLICATION FOR RELIEF

APRIL 2, 1952.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: C. W. Boin and I. N. Doe, Agents, for carriers parties to Agent Doe's tariff I. C. C. No. 591.

Commodities involved: Ground wood papers, carloads.

From: Producing points in Maine.

To: Points in official territory.

Grounds for relief: Competition with rail carriers, circuity, analogous commodity, and to maintain grouping.

Schedules filed containing proposed rates: I. N. Doe's tariff I. C. C. No. 591, Supp. 60.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-3913; Filed, Apr. 4, 1952; 8:47 a. m.]